Daily Report

East Europe

FBIS-EEU-91-004
Monday
7 January 1991

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NOTICE TO READERS: As of 2 January 1991, television sourcelines in the DAILY REPORT will reflect how a station identifies itself. In most cases, this change eliminates the "Television Service" designation in favor of the station identification as broadcast. The presence of a new television sourceline reflects this change in policy, rather than the establishment of a new station or network.

NOTICE TO READERS: * indicates material not disseminated in electronic form.

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PDSh Initiating Commission Member Interviewed

AU0401173991 Tirana Domestic Service in Albanian 1430 GMT 4 Jan 91

[Interview with Sali Berisha, member of the Initiating Commission of the Democratic Party (PDSh), by unidentified reporter in the PDSh "office" in Tirana; date not given—recorded]

[Text] [Announcer] Radio and television reports have informed our listeners about some rallies organized by the Democratic Party [PDSh] in Tirana and different districts of our country, and various articles have also appeared in the newspapers and various periodicals. The official newspaper of the PDSh appears tomorrow. Dear listeners, to inform you in more detail about the demands put forward by this party at these rallies, we went to the party's office and talked to Dr. Sali Berisha, member of the Initiating Commission of the Democratic Party.

[Reporter] You made various demands at your rally in Tirana a few days ago. Among them was a demand for the postponement of the elections, which was also repeated at rallies in different districts. We would like to know your reasons for this demand.

[Berisha] Our demand for a postponement of the elections is an (?important) demand because the date for the elections, the electoral law, and the relevant commissions were all decided at a time when Albania had a single-party system and was not considering the establishment of the multiparty system that came later.

We are insisting on the postponement of the elections for two elections: First, as an opposition party which was created only a few weeks before the elections, and with the resources we have been given, we cannot organize the proper election campaign that our people and the whole country deserve. We presently have minimal resources at our disposal which (?are about equivalent to those of a fifth-category district party committee. Second—this is not the only reason—and more important is that it would be good to postpone the elections to a new time not only for the PDSh but for democratic people in general, because under this electoral law, five organizations which have hitherto been and will remain subservient to the Albanian Workers Party [PLA] have been declared to be independent electoral participants. In practice, two independent political parties exist in Albania today, the ruling party of the PLA, and the PDSh. We do not agree with this electoral (?mishmash) [passage indistinct]. The Writers and Artists Association decided to withdraw as an electoral participant, because it understood that this is absurd.

[Reporter] Yes. (?No other organization) has tried to postpone the elections.

[Berisha] [Words indistinct]. We demand free elections—regular elections—with the presence of foreign observers, according to the plans and standards of institutions which specialize in this, such as the plans and standards of the EEC, and the [word indistinct] declaration on free elections.

[Reporter] Yes. Has the government helped and supported you in your initiative and the work you are doing to spread the ideas of your party in various ways?

[Berisha] Some aid and a budget of [words indistinct] and a grant of 1 million leks for all our expenses. The people have offered us a great deal of help. [words indistinct] We hope that the our newspaper will help us obtain necessary funds. We have also had...[changes thought]. We have not openly had placed before us major obstacles, but there have been many obstacles in other ways, such as many raised by the state administration and various organs, which have tried to limit the activities of the PDSh as far as they can, by calling people into their offices, (?putting them under surveillance). [words indistinct], nevertheless the party's activity goes on.

[Reporter] Yes. Rallies have been organized in many districts of the country and are still being organized. Can you tell us something about the number of participants in them. [Words indistinct].

[Berisha] (?Many people have attended) these rallies; for instance, there were about 45,000 in Korce, and there were at least 50,000-60,000 in the square at Shkoder yesterday, not counting thousands of others who climbed up to the balconies and windows of all the apartment blocks around. There were about 30,000-40,000 at Durres, and about 20,000 at Kavaje. In fact, there has been massive participation in these rallies from all strata of the populace. Our information media [passage indistinct].

PDSh Holds Rally in Vlore 6 Jan

AU0601200191 Tirana Domestic Service in Albanian 1900 GMT 6 Jan 91

[Text] The Democratic Party [PDSh] organized a rally this morning in Square of the Flag in Vlore on the occasion of the formation of the party's branch in this city.

Activists of this branch and members of the Initiating Commission for the creation of the PDSh spoke at the rally and emphasized the patriotic and freedom-loving traditions of the people of Vlore and their democratic spirit as shown by such distinguished democrats as Ismail Qemali, Halil (?Delo), Avni Rustemi, and so forth. They drew attention to their party's main goals: the full democratization of the country's life, a strengthening of the rule of law, the revival of the economy, inclusion in the European family, the protection of the human rights and freedoms, among others.

The PDSh, they said, will insist in its activity on wisdom, dialogue, moderation, and tolerance and will struggle to protect the homeland's freedom and independence.

They also repeated their familiar demands for a postponement of the elections and the release of all political prisoners.

First PDSh Newspaper Published 5 Jan

AU0501201291 Tirana ATA in English 1120 GMT 5 Jan 91

[Text] The first issue of the newspaper RILINDJA DEMOKRATIKE [Democratic Rebirth], organ of the Democratic Party of Albania [PDSh], appeared today. This issue carries also the draft statute and the minimal program of the Democratic Party.

Editor Interviewed

AU0501215391 Tirana Domestic Service in Albanian 1900 GMT 5 Jan 91

[Interview with (Prenk Supi), chief editor of RILINDJA DEMOKRATIKE, by Sokol Perihati on 5 January; place not given—recorded]

[Text] [Perihati] What will the aim of this newspaper be?

[(Supi)] The aim of the newspaper is the aim of the PDSh, (?the solution) of the problems of the nation and the country. [passage indistinct] It is a newspaper with a specific viewpoint. It will deal with all the country's problems, such as economic and social problems and problems of history, culture, and tradition. It will, however, mainly deal with current questions of solving the country's problems.

[Perihati] How large will the subscription numbers and print run of this newspaper be?

[(Supi)] The print run is set at 50,000 in all. As for subscriptions, (?some people have tried) to buy the paper through subscription [words indistinct] and when this is achieved soon, readers may subscribe. At the moment, we are distributing it through the state bookstores.

[Perihati] With what kind of editorial board do you have?

[(Supi)] A group of journalists, writers, and economists, hard working people, has been assembled. They are working voluntarily to produce the newspaper and are making a very great contribution. This is a period of transition, and the newspaper will soon have its own editorial board, like other papers. [Words indistinct] and other resources the editorial board requires.

[Perihati] As a final question, on what days will the newspaper appear, and how many pages will it have?

[(Supi)] The newspaper will appear on Wednesdays and Saturdays. The number of pages is set at eight, but at the moment, under our present material conditions, we are publishing six pages. Soon it will have eight pages. [passage indistinct].

Clash Between Police, PDSh Reported in Lushnje

AU0501190991 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 5 Jan 91

[Text] A meeting of the new Albanian opposition party in the town of Lushnje in the south of the country has turned into a clash between the police and the members of the Democratic Party [PDSh]. Citing telephone conversations with Tirana, REUTER reports from Vienna that the clashes occurred last night and that the police used batons, while participants of the meeting used stones. Several people were injured.

The unrest had obviously broken out when, after the meeting concluded, the crowd tried to break through the police cordon in the central town square where the building of the ruling Albanian Workers Party is located. There are no other details so far and nothing has been officially reported in Tirana.

In the meantime, REUTER reports from Athens that another group of about 150 Albanians has fled from Albania to Greece. It is thought that more than 4,000 Albanians, mostly of Greek origin, have fled to Greece in the last 10 days.

Decrees on Border Guards Weapons Use, Amnesty

AU0501200691 Tirana ATA in English 1900 GMT 5 Jan 90

[Text] Tirana, January 5 (ATA)—The Presidium of the People's Assembly convened on January 5, before noon, under the presidency of its chairman, Comrade Ramiz Alia.

In this meeting, the Presidium examined and approved several important decrees.

Firstly, it approved the decree "On the Creation of Banks With the Participation of Foreign Capital and the Opening of Foreign Banks' Representation Branches or Bureaus in the PSR [People's Socialist Republic] of Albania."

Besides, this decree will contribute to the swift circulation of currency means on the part of the bank organs as well as to the augmentation of these means.

Then the members of the Presidium of the People's Assembly approved the decree "On the Use of Fire Weapons by the Forces of the Border, Public Order and the Armed Military and Civil Guards." This decree aims at disciplining the use of fire weapons by these forces.

The Presidium made also certain amendments to the decree "On the Protection of the Environment From Pollution" and decided to create the Committee for the Protection of the Environment.

In continuation, the Presidium examined the proposals for pardoning punishments and obligations forwarded by the Ministry of Justice and Ministry of the Interior. Amongst those who were granted pardon are also 202

persons sentenced for agitation and propaganda against the state and attempt for defection abroad. These included, the toll of persons convicted for political offences who are granted pardon with the decrees of the Presidium of The People's Assembly No. 7391, dated 12.6.1990; No. 7402, dated 31.7.1990; No. 7412, dated 8.9.1990, etc., mounts to 393 persons.

The Presidium of the People's Assembly charged the competent respective state organs to study and forward to its next meeting the question of granting pardon to all the other persons sentenced for political offences, agitation and propaganda and defection.

PLA Electoral Program Reported

AU0401142491 Tirana ATA in English 0900 GMT 4 Jan 91

[Text] The current elections of the deputies to the People's Assembly will be conducted in the conditions when the democratic development of our society has entered a qualitatively new stage.

History and the present time grant the PLA [Albanian Workers Party] the legitimate and moral right to address the Albanian people the appeal to vote for its candidates and program.

Our party appeared in the political life at the time when Albania was occupied and abandoned by all. By inheriting and further enriching the best traditions of our history it organized and led the Antifascist National Liberation War and created the new Albanian state.

To the Party of Labour with Comrade Enver Hoxha at the head belongs the historic merit of providing the people with a political program, which gave the possibility to Albania, a tiny and backward country, to detach once and for all from the semifeudal economic and social structures of the past, to usher on the road of industrialization, economic, and cultural development.

Under the leadership of the party there were ensured a series of genuine social equalities for the whole population, there were safeguarded and consolidated the freedom and independence, identity and state sovereignty under the conditions of the cold war and of a Europe divided into antagonistic blocs. Under its leadership, pursuing the socialist road, conditions were created for Albania to create stable economic structures and to attain a rapid educational, cultural, and scientific progress, to ensure an equal status for all the citizens and ensure the unity of the people, as an indispensable condition to safeguard the freedom, independence and the sovereignty of the homeland.

The party has aimed and aims at building a just and democratic society, where each is appreciated and remunerated according to his work and contribution to the progress of the society. It has promised to preserve these values and enrich them with the achievements of the civilization of modern time.

II. [number as received]

In order to ensure the constant realization and promotion of the historic initiatives the PLA has launched, it defines the following political targets:

1. As initiator and leader of many vast and profound democratic reforms, it should fight resolutely that the current processes forge ahead non-stop. It promises to devote all its forces to the further improvement of the political system and the effective practising of the role of the organs elected by the people. To this end will serve the approval of the new constitution, another important initiative of the party, that paves a broad road to the further democratic developments.

2. To fight for creating such a juridical system which guarantees the human rights and duties, according to the European contemporary norms, in compliance with the official commitments of our country in different international forums and organizations, preserving our spiritual, national and popular values. The party will fight to observe the freedom of consciousness and faith, our best traditions and customs, the features of various ethnic and social groups as well as for the development of a culture on a national, popular and democratic basis.

3. One of the main goals of the party will be the strengthening of the juridical state. It is engaged in making clear the detachment of the state activity from the party one. The PLA will support the improvement of the whole legislation, so that the relations of individuals, collectives, organizations and institutions with the state be arranged through unique legal norms publicly known.

The party deems it necessary and will strive that the whole activity of state organs and organisms and of justice be subjected to the Constitution and laws and be under control.

4. The PLA has drawn and will draw lessons from the positive experience and the negative one alike. The Albanian communists, as always, have the courage and will that in the name of the future and to the benefit of the people, to correct any outdated practice, any shortcoming and mistake that might have been made. They will fight resolutely against conservative, sectarian or liberal phenomena, wherever they appear, within or outside its ranks.

5. The party is entirely resolute to perfect all its ideological, political and organizational activity so that to enhance its role in the society and in the social system in accord with the contemporary requirements. It will enrich its program, will renovate the method and style at work in order to pave the way to the new progressive developments.

The party will undertake its complete reorganization in all the links and levels in order to reduce toll of people working in its apparatuses, to turn itself into a militant organization. The period up to the next congress will serve for a general refreshment of the composition of the

forums from the center in the grass roots. Changes will take place also in the criteria of admission to the party, in order to contribute to the further improvement of its composition.

6. In the future the party will closely cooperate with the mass organizations, consistently fighting to maintain and consolidate the unity of the people, to safeguard and enrich the rights of the working class, to defend the interests of peasantry and the progress of the countryside, to enhance the role of intelligentsia, to create conditions to the youth so that it grow up healthily, educated, cultured, worthy of taking in its hands the destinies of the home and to support the women of Albania in their struggle for the all- sided emancipation and for heightening their dignity and personality.

7. Our party is for loyal dialogue, for correct and democratic relations with any political force which has emerged or will emerge within the country, suffice these organizations be guided by the national and democratic spirit, the interests of the homeland, its freedom and independence.

III.

The essence of the economic program of the party is to attain in new conditions the fundamental goal it has devoted itself to: the care for the man, his well-being, the creation of necessary conditions to meet the material and spiritual needs of the people. The application of this fundamental law of a democratic society will be based on special juridical and economic measures for the real evaluation of the interests of all the citizens.

The party pledges that in the course of the next legislature it will fight for the realization of the following economic and social targets :

1. To realize the radical economic reform launched to replace the system of centralised direction and administration with mechanisms of the market economy, where the great state sector will vie and coordinate actions with the cooperativist and private one and the role of equilibrium of the state with free initiative.

It will make efforts so that the state create the necessary legal conditions for the all-sided development of the economic common and individual initiative, into a system of various forms of property, work and market, aiming that the regulator's role in the economic life of the country be played by the collective structures of production and consumption.

To this end, it will work to realise the necessary changes and harmonizations in the relations between the plan and the market, the prices and payments, to guarantee the interests of the producers and consumers of the village and the city, the state and social groups and individuals.

It is intended to carry out these deep going changes in compliance with Albania's concrete reality, the material, human, technical and professional capacities, with the traditions and psychology of the people.

2. The party will fight to overcome within the shortest possible time the difficult economic situation and its impact, to ensure a normal production and supply of the market with raw materials and necessary consumption means, exploiting the inner resources and credits. This is the first indispensable step for the application of the new economic mechanism.

3. The economic reform will aim at:

The more rational exploitation of the national assets according to the inner laws of the economy.

The sensible improvement of the structure of the economy for the increase of productivity and its efficiency, limiting the investments on heavy industry, in order to ensure a more rapid development giving priority of agriculture, food industry, light industry, transport and public services.

Large scale reconstructions and modernization of technique and technology in all the sectors, renovation in the infrastructure for the needs of economy and people.

The increase of the quantity of the goods and services and the improvement of their quality according to the demands of the people and the contemporary standards.

The increase of the general efficiency of economy and the gradual avoiding of non-rentable products, and subventions, adopting the necessary measures so as to ensure stability in employing the people and their standard of living.

The gradual displacement and reorganization of production and services in as many medium and small units as possible, to attenuate and avoid the monopoly position in the market and in the price fixing, and to open the way to competition for economic efficiency and quality.

The gradual approach of the prices with the value within the country and in the foreign exchanges. This will be accompanied with the strengthening of the relation between the payment and profit for the workers, cooperativists and intelligentsia of production.

4. In order to realise its food program, the party will fight to complete the cycle of investments on agriculture, so that the advantages our climate offers and the presence of the working force in the countryside be used at high efficiency. The general inclination should be the further intensification and improvement of the structures of production, with the aim of getting the maximum production from land and to increase the level of independence of the agricultural production from the weather conditions.

In the next legislature the party will intend that agricultural cooperatives be independent and have a broader range of activity, through the promotion of cooperativist democracy, that collectivism in agriculture have more

diversified forms of organization and remuneration, so that to encourage and realise the initiative of the cooperatives for various activities in all the agricultural acreage and that of peasant families for the development of production in the yard, that the differentiation of the economic levers in favour of the hilly and mountainous zones further enhance.

For the conditions of our country, with a small agricultural acreage, the advanced agrarian system based on the cooperative as an efficient economic subject, is in the interest of the peasantry and the entire people.

In the future the party will encourage the initiatives of the peasantry to develop other forms of cooperation which respond to its needs and the conditions of each zone of the country.

5. The party program on the economic development envisages the sensitive broadening of economic, productive and financial cooperation with foreign partners and the encouragement of their investments in Albania, making use of the advantages offered by the abundant material and human resources we possess, the favourable climate and geographical position of our country.

In this way, the development of the economy, the employment of the able-bodied forces, the market's supply with consumer goods and the country's economic integration in Europe and broader should step up through joint enterprises and activities and through credits.

The cooperation with the world should extend in many fields, but special care should be devoted to public services, tourism and light and food industry, which are the efficient and provide incomes within a relatively short time.

The economic policy of the party in this field aims also [at] the increase of the foreign currency sources and reserves, as well as the gradual creation of the economic possibilities to freely convert the lek into convertible currency inside and outside the country.

6. The party considers as an important direction of its commitment, the question of the people's employment, of the forces due to the population growth and technical progress. It will strive to solve this by increasing the investments on our own forces and through foreign sources, encouraging the initiatives of the collectives and of the individuals for fresh fruitful activities in production and public services, in the form of cooperatives, partnership or personal ones.

The party will endorse the activity the state organs for the creation of the facilitating conditions regarding the organisation of the economic emigration of the citizens, so that it conforms to the interests of the society and the individual. Besides this it will call for the improvement of legislation for the free movement of the citizens outside the country as economic emigrants acknowledging them the right to return home when they wish.

7. The party is convinced that possibilities exist that within the next legislation the housing of the population will be normalized, especially in the city, not separating it from the necessary measures on the urbanization of the rural areas. To this end will contribute the modernization of the production of the necessary materials and building capacities.

8. The party will strive to strengthen the legal and economic guarantees for the protection of the personal and collective interests of the citizens. In the social field, its fundamental goal is to guarantee a tranquil life and with an optimistic perspective for all, preserving and consolidating such achievements as the general education and health service, the system of pensions and social insurances, state subventions for some basic vital needs of the population.

It will make efforts that the increase of productivity and contribution of every citizen be associated with the improvement of the working conditions, the pay hikes and other economic and social stimuli.

9. The questions of social help and family consolidation will be under the special care of the party. The fiscal system associating the economic reform will ensure an equal distribution of incomes, taking under protection and favour those strata of workers and families with fewer incomes, with many children or those individuals who are temporarily unemployed. In accordance with the economic possibilities new measures will be adopted aiming at facilitating the work of the woman and the care for the mother and child, for the reduction of the weekly working hours, for the rest and entertainment of all the working people, especially of the youth.

IV.

1. In the field of foreign policy, the PLA, with its experience and prestige as a reformative force, will strive to protect the lofty interests of the homeland and ensure more favourable international conditions for the normal development of the life of the people. It will make efforts so that Albania join all those progressive processes in the world which bring about the strengthening of the general peace and security, the equal cooperation among the peoples and the emancipation of the mankind. It upholds that the active participation in this process further strengthens the international positions of Albania, increases the number of its friends and well-wishers.

2. The party will pursue the course that in all the relations with abroad the independence of judgement and action be preserved, that the country be engaged in no contract that would curb its national sovereignty, the right of the people to determine themselves on their own present and future.

3. Our party will fight to transform our country into an active participant in the processes of European security and cooperation and to translate into life all the agreements reached by consensus. It abides by the viewpoint

that European security should be a general security, both for the big and small countries, that they should make faster progress to avoid the divisions and splits due to the policy of blocs and harmful mentalities created by [the] cold war. This should be accompanied by an all-round economic cooperation contributing to the narrowing of differences of development, the creation of the possibility that all the peoples of our continent enjoy the blessings of contemporary progress.

4. The PLA is and will be for the democratisation of international relations, so that the voice of all countries, big or small, be taken into consideration. It abided and will abide by the stand that the norms of arranging the relations among states should be fruit of the thinking, experiences and contribution of the entire peoples of the world.

5. The policy of good-neighbourliness pursued by our country has been and will remain unchangeable. It is the Party of Labour of Albania that has worked out this policy since it was founded.

All possibilities exist that the Balkan countries overcome the old quarrels and feuds and live in peace and friendship amongst them, cooperate for their development and progress together, with good will and patiently. Our party will make all efforts so as to preserve this stable will in the policy of the state concerning its relations with the neighbours.

Time and the gained experience have made us conscious that many hindrances should be overcome and some complicated and specific problems concerning our region be solved so that the inter-Balkan relations make further progress. Amongst them are also the ethnic problems inherited from the past. The Party of Labour of Albania abides by the viewpoint that such questions might be solved were we to proceed from modern concepts, from the vision of future Europe, from the vision towards the future and not backwards. It is ready to make its constructive contribution to this respect.

6. The correct political line of the PLA has made the stand adopted by our state concerning the Kosovo question and of all the Albanians in Yugoslavia be in conformity with the national aspirations and the just legitimate demands of the Albanian people and of our brothers across the border. Our party, as always and unwaveringly, will endorse the demands of the Albanians in Yugoslavia for national and democratic rights.

The party will combat to intensify and expand more than until now the links and contacts with the compatriots in foreign countries wherever they are in order to keep alive and strengthen their all-round links with the homeland.

7. The Party of Labour of Albania has educated our people to be always side by side with the peoples fighting for their national and social liberation, for democracy and progress. It will abide by it in the future too.

The PLA is convinced that the election campaign for deputies to the People's Assembly will serve the enhancement of the patriotic spirit of the people. From the party members it is demanded more than ever a maximal contribution, effective work and a militant stand to cope with the tasks.

Albania, in whose foundations lies the blood of the outstanding fighters and patriots of the renaissance, and of the struggle for national independence, the blood of 28,000 martyrs of the national liberation war, is the achievement of the toil and sweat of our brave, hard-working and freedom-loving people. It is the duty of all, of the people, their power to strengthen and flourish incessantly the homeland.

Our Party of Labour appeals to all the electors: Vote for the candidates forwarded by the party of war and socialist victories, by the party of action and progress, that at any time or situation represents the interests of the people and homeland.

National party conference of the PLA.

Presentation of Electoral Candidates Begins

AU0501201091 Tirana ATA in English 0910 GMT 5 Jan 91

[Text] Tirana, January 5 (ATA)—According to the Article 26 of the Law on Elections, the first stage of the campaign, the presentation to the people of candidates for deputies to the People's Assembly, started. This is a very important aspect of the election campaign, the newspaper "ZERI I POPULLIT" writes.

The meetings of the people will be conducted by the Democratic Front, as the largest mass organization uniting in its fold the overwhelming majority of the population. The Democratic Front is only organizer of these meetings and there is no legal hindrance that an independent subject itself hold the meetings for presenting its candidates.

In these meetings where all the independent subjects themselves will present their candidates for deputies, the people will air their free opinion for every candidate. They enjoy the right to be pro or against the presented candidatures and propose new candidates. According to the Law on Elections it is the independent subject itself that defines in the final account who will be the candidates.

The independent candidates will not be subjected to people's discussion. Having ensured 300 supporters in a precinct, they are registered immediately as candidates by the Election Commissions, the newspaper "ZERI I POPULLIT" writes in conclusion.

Assembly Approves Decrees, Pardons 202 People

LD0601102291 Tirana ATA in English 0906 GMT 6 Jan 91

[Text] Tirana, January 6 (ATA)—The Presidium of the People's Assembly convened on January 5, before noon, under the presidency of its chairman Comrade Ramiz Alia.

In this meeting the Presidium examined and approved several important decrees.

Firstly, it approved the decree "On the Creation of Banks with the Participation of Foreign Capital and the Opening of Foreign Banks' Representation branches or bureaus in the PSR of Albania".

Besides, this decree will contribute to the swift circulation of currency means on the part of the bank organs as well as to the augmentation of these means.

Then the members of the Presidium of the People's Assembly approved the decree "On the Use of Fire Weapons by the Forces of the Border, Public Order and Armed Military and Civil Guards". This decree aims at disciplining the use of fire weapons by these forces.

The Presidium made also certain amendments to the decree "On the Protection of the Environment from Pollution" and decided to create the Committee for the Protection of the Environment.

In continuation, the Presidium examined the proposals for pardoning punishments and obligations forwarded by the Ministry of Justice and Ministry of the Interior. Amongst those who were granted pardon are also 202 persons sentenced for agitation and propaganda against the state and attempt for defection abroad. Those included, the toll of persons convicted for political offences who are granted pardon with the decrees of the presidium of the People's Assembly No. 7391, dated 12.6.1990, No. 7402, dated 31.7.1990, No. 7412, dated 8.9.1990 etc., mounts to 393 persons. [sentence as received]

The Presidium of the People's Assembly charged the competent respective state organs to study and forward to its next meeting the question of granting pardon to all the other persons sentenced for poilitical offences, agitation and propaganda and defection.

4 Injured Crossing SFRY Border 'By Force'

AU0501212491 Tirana Domestic Service in Albanian 2100 GMT 5 Jan 91

[Text] False reports were spread in Shkoder today claiming that the Albanian-Yugoslav border was to be opened for crossing without passports or visas. We met the border forces at the Ministry of Internal Affairs and learned that we are dealing with a malevolent report. ATA's correspondent also inquired at the Ministry of Foreign Affairs and was informed that Yugoslav Ambassador Predrag Pjanic, who was received by Bashkim Dino, directorate director at the Ministry of Foreign Affairs, has stated that Albanian citizens may visit Yugoslavia only with regular passports and with visas issued by the Yugoslav Embassy.

Despite the well-known regulations, some groups of disinformed people attempted to set off by force in the direction of the border. They used implements of force such as stones, bricks, and so forth against the forces for the maintenance of order and shot firearms. The forces of order acted against them. Four citizens were injured.

Malile Gives SFRY Envoy Letters From Alia

AU0501213591 Belgrade Dometic Service in Serbo-Croatian 2100 GMT 5 Jan 91

[Text] Albanian Television has reported that Foreign Affairs Minister Reis Malile has handed several important letters from President Ramiz Alia to Predrag Pjanic, SFRY ambassador to Tirana.

Receives New SFRY Ambassador

AU0501214891 Tirana Domestic Service in Albanian 1900 GMT 5 Jan 91

[Text] Foreign Minister Reis Malile received today Predrag Pjanic, ambassador extraordinary and plenipotentiary of the SFRY to the People's Socialist Republic of Albania, in connection with the forthcoming presentation of his credentials to Comrade Ramiz Alia, president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania.

Soviet Trade Representatives Arrive; Talks Held

AU0401211591 Tirana Domestic Service in Albanian 2100 GMT 4 Jan 91

[Text] An important Soviet economic and trade group made up of employees of the Ministry of Foreign Trade and the Soviet Union's State Planning Commission has arrived in Tirana to conduct talks with representatives of the Ministry of Foreign Trade, the State Planning Commission, and the Albanian Committee for Foreign Economic Relations. Talks will be conducted in connection with the forthcoming signing of an agreement on trade and economic and technical cooperation and the protocol on the exchange of goods for 1991 between the People's Socialist Republic of Albania and the Soviet Union.

The first session of talks discussed the forms of trade and cooperation which might be introduced between the two countries and the identification of effective ways to increase economic exchanges and trade to reciprocal benefit. The talks are continuing.

The group of Soviet representatives was received today by Deputy Foreign Trade Minister Kostandin Hoxha.

Commentary Views Dissolution of CEMA

AU0601172291 Tirana Domestic Service in Albanian 1605 GMT 6 Jan 91

[Frederik Mikeli commentary]

[Text] At the conclusion yesterday of a two-day session in Moscow, the Executive Committee of CEMA announced its decision to dissolve the organization. A new market-oriented organization will be created in its place, to be called the Organization for International Economic Cooperation. The organization will be formally founded at a special meeting planned to take place in the Hungarian capital of Budapest at the end of February. The new trading group is expected to help its nine members, the Soviet Union, Bulgaria, the CSFR, Hungary, Mongolia, Poland, Romania, Cuba, and Vietnam to better integrate their economies with the West.

REUTER stressed in its report that progress toward the market and lack of interest in the Soviet ruble transformed CEMA into little more than a bazaar in which its members engaged in various complex clearing arrangements. The Soviet news agency TASS, for its part, reported: CEMA has exhausted its possibilities, but the economic area of its member-states is not a myth but a reality. The trading union of the East began to be shaken by the transformations in the East, which led to discussions for CEMA's reformation, in order to make it more efficient under the new conditions of the economic development of the majority of its member-states. While there were various proposals for CEMA's reform, all agreed that it could not continue to exist or operate on its previous scale. Some of its members, such as Hungary, the CSFR, and Poland, were even seeking integration in the EEC. Nevertheless, some changes were introduced. For instance, CEMA, which was created in 1949 (our country was a member until 1961), started trading on 1 January on the basis of convertible currency instead of the nominally transferable ruble. Thus, trade this year will be based on world prices.

Finally, the organization's name will also be changed, which means not simply a new title, but a new mode of operation on the basis of new principles of trade. This, however, is taking place at a time of deep crisis in the economies of the group's member-states. PRAVDA writes that the advance of CEMA's members toward the market economy is a serious test for this international economic organization.

As I said earlier, a meeting will be held in Budapest at the end of February to found the East's new trade group, which will be of more interest than CEMA. TASS reports that its members have decided to also invite Germany and Yugoslavia to the Budapest meeting, while REUTER stresses that in Moscow the trade group also considered the possibility of granting observer status to the EEC and Albania. This is, therefore a new process of cooperation in the trade of the countries of the East, and one, as can be seen from the initiatives that have been taken, which seeks to extend to and cooperate with other countries of Europe, thus giving a new impetus to European trade.

Greek Official on Upcoming Mitsotakis' Visit

AU0501202091 Tirana ATA in English 1905 GMT 5 Jan 91

[Text] Tirana, January 5 (ATA)—The political director of the Greek Foreign Ministry, Apostolos Papasliotis, who conducted talks and exchanged opinions at the Albanian Foreign Ministry on the program regarding the coming visit to Albania of the prime minister of the Hellenic Republic, Konstandinos Mitsotakis, paid a visit to Albania recently.

As it is reported by our press, the prime minister of Greece will pay an official and friendly visit to Albania on January 13-14. During this visit negotiations will be conducted on the promotion of the Albanian-Greek relations in the political, economic, cultural fields, etc. Likewise, negotiations will be conducted on problems of Balkan cooperation, European positive processes, and other international questions.

Alia Sends National Day Greetings to Cambodia

AU0601205191 Tirana Domestic Service in Albanian 1900 GMT 6 Jan 91

[Text] Comrade Ramiz Alia, president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, and Comrade Adil Carcani, chairman of the Council of Ministers of the People's Socialist Republic of Albania, have sent the following greetings telegram to Heng Samrin, chairman of the Council of State of Cambodia, and Hun Sen, chairman of the Council of Ministers of Cambodia:

On the occasion of Cambodian National Day, in the name of the Albanian people, the Presidium of the People's Assembly, the Albanian Government, and on our own behalf, we send warm greetings and best wishes to you and the Cambodian people. The Albanian people have followed with interest the efforts of the Cambodian people for progress and peace, and wish them further successes.

We avail ourselves of this occasion to express the conviction that the friendly relations between our two countries will continually develop to our mutual benefit.

Presidency Offers Water, Rest to U.S. Troops

AU0401192491 Sofia BTA in English 1857 GMT 4 Jan 91

["Bulgaria Offers Water, Treatment and Recreation to U.S. Troops in Saudi Desert"—BTA headline]

[Text] Sofia, January 4 (BTA)—After the scorching heat in the sands of the Saudi desert, U.S. servicemen will be able to take a respite in Bulgaria if their command accepts Bulgaria's latest initiative.

"Reaffirming its readiness to send a military contingent as part of the multinational force, which would require the consent of Saudi Arabia, the Republic of Bulgaria offers to deliver drinking water and to make available some of its health resorts for treatment, rehabilitation and rest to the U.S. troops deployed in the Persian Gulf," says a press release of the Office of the President of the Republic, received in the BTA today.

The Presidency confirms Bulgaria's principled support for the resolutions of the UN Security Council intended to end the Iraqi invasion of Kuwait, to restore its sovereignty, territorial integrity and legitimate government.

"Bulgaria favours a peaceful settlement of the crisis in the gulf on the basis of the UN Security Council resolutions, without prejudice to the inalienable rights of the Kuwaiti people," the press release says. It recalls the decision of the Grand National Assembly on the despatch of a Bulgarian military contingent to the multinational force in the gulf as an expression of Bulgaria's consistent stand on the matter.

Work is going on to supply the contingent with materiel and equipment operable in desert conditions, although Bulgaria cannot cope on its own with all problems which have arisen in this respect, the Presidency announces.

Ongoing diplomatic efforts are made to secure the necessary conditions for the implementation of the Grand National Assembly decision. The king of Saudi Arabia, the emir of Kuwait and the U.S. Government have been notified of Bulgaria's intention. Bulgaria expects a positive answer but has not yet received it, the Office of the President said.

President on Sending Troops to Saudi Arabia

JN0401203791 Cairo AL-AHALI in Arabic 2 Jan 91 p 2

[Interview with Bulgarian President Zhelyu Zhelev by 'Adil al-Shahawi in Sofia; date not given]

[Excerpt] [passage omitted] [Al-Shahawi] Do you plan to send military troops to the gulf?

[Zhelev] We have discussed this with Saudi Arabia, but we have not received an acceptance. They only said they will discuss it. We cannot send any units without the Saudi Government's consent.

[Al-Shahawi] But the amir of Kuwait, Shaykh Jabir, and his government accepted.

[Zhelev] We cannot send our troops to Kuwait. It all depends on the approval of King Fahd and the Saudi Government.

[Al-Shahawi] Do you think about the results of a military solution?

[Zhelev] Military action will have consequences on East Europe, which will find that the West will be preoccupied with its own problems and no one will pay attention to our problems in East Europe. I do not want to think about the military solution, although it is hard to rule out; but the consequences will be serious, and the direct and indirect parties will be affected by them.

Cabinet on Economic Decrees; Pushkarov on Oil

AU0501183691 Sofia Domestic Service in Bulgarian 1600 GMT 5 Jan 91

[Ivan Obretenov report on statement by Industry Minister Ivan Pushkarov; place and date not given]

[Text] The Council of Ministers is in session in Sofia today. It has to grapple with the catastrophic economic situation in the country. Here is a report from Ivan Obretenov:

[Begin recording] [Obretenov] It has become clear that from 1500 this afternoon until about 45 minutes ago, the ministers discussed a draft decree on amending the regulations for the application of Decree No. 56 on economic activity. According to an announcement made during a break in the meeting, the aim was to bring the extremely complex regulations governing the decree into line with the amendments to the decree. It is known that, as a whole, the decree considerably simplifies and liberalizes the regulations, and eliminates the considerable restrictions imposed previously. However, I realize that our listeners are more disturbed by the energy and fuel oil problem. Here is a statement made personally by Ivan Pushkarov, minister of industry, trade, and services:

[Pushkarov] The government and its staff continue to give priority attention to the fuel problem. The oil tanker is already loaded, and has probably sailed but, as I was told at lunchtime, the weather was not very good. The ship is expected to arrive here some time on Monday [7 January]. Naturally, there are many other problems, but this tanker will, so to speak, plug the leak for the moment. However, the problem with fuel oil remains unresolved, I mean the problems of further providing the remaining quantities. We are relying on the fact that Atanas Paparizov is in Moscow and will sign the agreement on payments, which will simply eliminate the problems which have arisen with the letters of credit, for example. The talks will clarify the technical methods by

which our economic interrelations will be implemented, in order to avoid disputes arising. And so, we are waiting. Of course, we are counting on the Soviet Government's promise to ensure the monthly deliveries of 550,000 tonnes of oil. There are already hopes of increasing the deliveries of oil during the first quarter. This cannot be expected to happen earlier, but it is nonetheless encouraging.

[Obretenov] So much for the fuel problem. I have just heard that at the moment the cabinet is discussing a draft decree on adopting an order concerning auctions for sale of state and municipality property. We hope to have more details in about an hour. [end recording]

Minister on Fuel Supplies; Paparizov Trip

AU0501202191 Sofia BTA in English 1856 GMT 5 Jan 91

[Text] Sofia, January 5 (BTA)—The Bulgarian tanker Struma has already been loaded at the Soviet port of Novorossiysk, Mr. Ivan Pushkarov, minister of industry, trade and services, told the press today. The tanker has probably left for Bulgaria and is expected to arrive by Monday.

Mr. Pushkarov said that this will not solve the fuel oil problem and that the government counts on the forthcoming visit to Moscow by Mr. Atanas Paparizov, minister of foreign economic relations, who will sign an agreement on payments and will detail the economic relations between Bulgaria and the USSR.

Mr. Pushkarov said that plans will be ready next week to limit the monopoly of the state-run Petrol Company and to privatize some filling stations and allow their cooperation with foreign suppliers.

The BTA Moscow correspondent reported that Bulgaria's minister of foreign economic relations, Mr. Atanas Paparizov, who is visiting there for the meeting of the Executive Committee of the Council for Mutual Economic Assistance, had important meetings with Mr. Konstantin Katushev, USSR minister of foreign economic relations, and with Mr. Stepan Sitaryan and Mr. Vladimir Gusev, vice chairmen of the USSR Council of Ministers. Normalizing supplies for the petrochemical works in Burgas was high on the agenda.

Libya To Consider Doubling Oil Deliveries

AU0401215891 Sofia BTA in English 1922 GMT 4 Jan 91

[Text] Sofia, January 4 (BTA)—Libya promised to consider doubling its oil deliveries to Bulgaria in the first quarter of 1991, Mr. Filip Ishpekov, deputy minister of foreign affairs, told the BTA today. Libya is repaying in oil its debts to some Bulgarian organizations. The monthly shipments are expected to reach 160,000 tonnes.

Mr. Ishpekov said that was only one result of the consultations held in Tripoli recently between the Bulgarian Ministry of Foreign Affairs and the Libyan Secretariat for Foreign Liaison. The sides reached agreement on the delivery of an unscheduled 80,000 tonnes of oil (worth approximately 20 million dollars) to Bulgaria. That amount will settle the government debt which Libya has incurred from Bulgaria.

The participants in the consultations found that despite the slump in bilateral relations in 1990, economic contacts had stayed at a high level, Mr. Ishpekov pointed out.

Government Continues Talks With Unions, Employers

AU0401174891 Sofia Domestic Service in Bulgarian 1600 GMT 3 Jan 91

[Text] At the Council of Ministers [session] today talks continued between the government, employers, and trade unions on signing a comprehensive agreement. The participants included Prime Minister Dimitur Popov, his deputies Dimitur Ludzhev and Aleksandur Tomov, ministers, and representatives of the following: the leaderships of the Confederation of Independent Trade Unions in Bulgaria, the Podkrepa Labor Confederation, National Union of Economic Leaders, Central Cooperative Union, Union of Labor Production Cooperatives, the Revival [Vuzrazhdane] Union of Individual Producers of Goods and Services, the Union for Citizens' Economic Initiative, and the Bulgarian Economic Chamber.

According to a statement made to a BTA correspondent by Dimitur Ludzhev, the meeting focused on getting the government to explain the logic of the decisions which it contemplates taking and the measures which it will undertake. The session heard questions and viewpoints put forward by the delegations concerning the proposed texts, and certain positions were clarified which were unclear, or concerning which alternative views had been presented.

Our colleague Petur Donchev is at the offices of the Confederation of Independent Trade Unions in Bulgaria, and may have something to add:

[Begin Donchev recording] I would add the following to the foregoing report. This afternoon I had an opportunity to visit the Podkrepa Labor Confederation, where I received a confirmation that Podkrepa will continue the talks at the level of experts. I know for certain, however, that this evening at 1800 [1600 GMT]—or at least at 1830, if the time has been changed, although the time was announced as 1800—Professor Svetoslav Stavrev went to the Council of Ministers and will continue the talks. I cannot forecast what agreements will be reached, because there are evident inconsistencies and differing opinions at this stage. [end Donchev recording]

Parliament Passes Accountancy Law on 3 Jan

AU0401160491 Sofia BTA in English 1345 GMT 3 Jan 91

[Text] Sofia, January 4 (BTA)—Yesterday Bulgaria's parliament passed an accountancy act which will come into force on the 1st of April.

It is drafted in compliance with the international standards, particularly with those of the European Community.

The Accountancy Act is the first step the Bulgarian parliament took to reform the system of economic information. Experts set great store by the reform which, apart from the Accountancy Act, includes a statistics act and a budget office act. The MP's will debate them soon.

The Accountancy Act, Bulgaria's first law of this kind, gives scope to accountants' activity. As from April 1 they will no longer have to wrestle with red-tape regulations and will have leeway in handling corporate finances. The accounts plan itself, on the basis of which the Accountancy Act will be introduced, has been considerably simplified and, experts say, it can be applied in both the state and the private sector. Bookkeeping will be standardized, considerably simplified and made easier, experts say. According to Mr. Zakhari Karamfilov, D. Sc. (Econ.) and MP for the Bulgarian Social Democratic Party (BSDP), the Accountancy Act is a major success within the package of economic laws due to be passed by parliament. The ground has been thoroughly prepared for the introduction of the Accountancy Act, Dr. Karamfilov says. Although it makes the accountants' work easier, they will have to be retrained.

According to Mr. Ivan Kostov, minister of finance, the Accountancy Act will help the appraisal of corporate property subject to privatization, capitalization or change of ownership.

Opinion Poll Shows Disappointment, Lack of Trust

AU0401155491 Sofia BTA in English 1521 GMT 4 Jan 91

["Undercurrent of Disappointment Gains Ground"—BTA headline]

[Text] Sofia, January 3 (BTA)—According to the results of a representative survey conducted by the Centre for the Study of Democracy and published in "REPORTER 7," sixty-eight per cent of Bulgarians believe that 1991 will be a year of economic hardships. Only 5.3 per cent of the respondents say that 1991 will bring economic prosperity.

Judging from the results of the survey, sociologists point out that despite the common economic hardships and the formation of a coalition government, society is still polarized. All respondents who said they would vote socialist mistrust the other parliamentary parties. Ninety-three per cent of the potential electorate of the Movement for Rights and Freedoms said they had confidence in the movement, while 5 per cent place trust in the Union of Democratic Forces (SDS). Three-quarters of those who would vote SDS have confidence in the coalition; 1 per cent trust the Bulgarian Socialist Party [BSP] and 1.3 per cent—the Bulgarian Agrarian Party.

The most trusted state institution last year was the presidency (30.9 per cent of the respondents), followed by parliament, while the least trusted were the police (2.8 per cent), and the courts and the prosecutor's office (1.7 per cent); 22.5 per cent of the respondents do not trust any institution at all. The electorates of the different political parties show a different measure of support for the presidency. Eight per cent of the BSP supporters have confidence in the presidency and 19.3 per cent—in parliament. As regards SDS supporters, 55.4 per cent trust the presidency and 10.2—parliament. At the same time, the results of the survey suggest there is a latent third force. Sociologists believe that the political party which manages to rally and take the lead of those disappointed at both ends of the spectrum will be among the front-runners in the coming years.

Todor Zhivkov's Gifts Not To Be Sold

AU0501170491 Sofia BTA in English 1539 GMT 5 Jan 91

[Text] Sofia, January 5 (BTA)—Todor Zhivkov's collection of gifts will not be sold, a Ministry of Culture official told the press yesterday. A commission tracing works of art and valuables in residences and other places believes that the gifts received by the ex number one on the occasion of his 70th birthday, which are on display at the Boyana Residence, should be transformed into a museum of the gifts received by Bulgaria's heads of state.

A new, 25-member commission, will have the final say on the matter after it appraises the artistic and financial worth of the gifts which the Prosecutor General's Office says are government property. A spokesman for the National Security Protection Service with the Presidency said that only part of the items were in Boyana. Part of the gifts have been confiscated from members of the Zhivkov family and are now in Prosecutor General's Office custody. The rest of the family gifts have been confiscated, too, but are still in the safe-keeping of family members.

If the idea to set up a museum of presents made to Bulgarian heads of state is realized, gifts received by King Boris III on various occasions will be traced, too.

SDS Dissension Over Pushkarov Affair

AU0401204991 Sofia BTA in English 1955 GMT 4 Jan 91

["Conflict Looming Large in SDS?"—BTA headline]

[Text] Sofia, January 4 (BTA)—"The expulsion of Ivan Pushkarov from the Social Democratic Party is political

cynicism, as far as I am concerned," Deputy Prime Minister Dimitur Ludzhev told the BTA today.

Last night the Social Democrats' leader Dr. Petur Dertliev signed the agreement between the political forces which guarantees the support of all parliamentary parties for the new government. Dr Dertliev, however, refused to sign a declaration drafted by the Union of Democratic Forces (SDS) whereby all parties and organisations affiliated to the union name by name support Mr. Dimitur Ludzhev, Mr. Ivan Kostov and Mr. Ivan Pushkarov as members of the new Council of Ministers. Mr. Stefan Savov, leader of the Democratic Party, also refused to sign the declaration. Yesterday Mr. Dimitur Ludzhev said that if the SDS ministers did not receive that name-by-name support from all SDS parties, they would resign. Deputy Prime Minister Ludzhev, Finance Minister Kostov and Industry, Trade and Services Minister Ivan Pushkarov think of themselves as a team.

Mr. Pushkarov, who serves as minister of industry, trade and services in Mr. Dimitur Popov's cabinet, was expelled from the Bulgarian Social Democratic Party (BSDP) on December 28, but the BSDP daily "SVOBODEN NAROD" reported the expulsion only yesterday. Mr. Pushkarov was removed from the party leadership and was expelled from its ranks because he accepted a ministerial portfolio. Word goes around SDS quarters, however, that Dr. Dertliev has a personal grudge against Mr. Pushkarov, who leads a tendency within the BSDP.

Mr. Dimitur Ludzhev claims that while negotiations on the formation of the cabinet were under way, Mr. Kostov, Mr. Pushkarov and himself explicitly declared at meetings of the SDS leadership that they would not join the government unless the SDS authorised them to do so. The Social Democrats' leader objected on none of those occasions; on the contrary, he supported Mr. Pushkarov's nomination. The deputy prime minister believes that Dr. Petur Dertliev, just like the former premier Mr. Andrey Lukanov, would rather not commit himself to the inevitable unpopular measures of the government and is acting out of purely political considerations.

It is still not clear how the remaining parties in the union will react to the affair. Last night the Green Party, the Democratic Party and the United Democratic Centre signed the agreement between the political forces expressing reservations about the government formula.

Pushkarov on Ouster From Social Democratic Party

AU0501201591 Sofia BTA in English 1920 GMT 5 Jan 91

[Text] Sofia, January 5 (BTA)—"Without fresh ideas Bulgarian social democracy will turn into gerontocracy," believes Mr. Ivan Pushkarov, minister of industry, trade and services. "I learnt from the press that I had been expelled from the Bulgarian Social Democratic Party (BSDP). This fact is self-evident of the way in which that decision was taken," Mr. Pushkarov told reporters today. He described the case as denying political confidence to the government at a time when it badly needs the support of all political forces.

He called the action "political cynicism" and said it was taken after all political forces declared their support for the government and signed a political agreement to this effect two days ago.

"Denying confidence to one member of the government team destabilizes the cabinet. Besides, it affects the opposition as a whole. The political forces should accept their responsibility. Once they have decided to attack the government in this way, they must say what they will offer to the people from now on," Mr. Pushkarov said.

He confirmed that an ideological tendency has been established within the BSDP on his initiative and in conformity with the party rules. "This is a quite legitimate and absolutely indispensable forum for the exchange of new ideas, for the enrichment of social democratic values without which the social democracy in Bulgaria is turning into gerontocracy," Mr. Pushkarov said. He has been expelled from the BSDP whose leader, Dr. Petur Dertliev, is 73.

For his part, Dr. Dertliev said Mr. Pushkarov's expulsion was something quite in the order of things in inner party life. In an interview for "OTECHESTVEN VESTNIK" he motivates Mr. Pushkarov's expulsion by the numerous declarations of the BSDP not to take part in a government which is still dependent on communist influence and in which the Social Democrats cannot in the least show their political face. Mr. Pushkarov's decision to join the cabinet was his own choice and the BSDP does not want it to commit the party.

Still, if Mr. Ivan Pushkarov's actions in his ministerial capacity are entirely consistent with the policy which the BSDP would pursue, the party leader Dr. Petur Dertliev would apologize to him.

In the same interview Dr. Dertliev says Mr. Pushkarov tended to do things which go beyond the limits of social democracy. In his view, he was changing his views too fast. Before becoming a Social Democrat Mr. Ivan Pushkarov was member of the Communist (now Socialist) Party, and now he manifests yet another evolution.

Parliament Ratifies International Agreements

AU0401195591 Sofia BTA in English 1853 GMT 4 Jan 91

[Text] Sofia, January 4 (BTA)—Today the Bulgarian Parliament ratified the treaty on legal assistance in civil cases between Bulgaria and Italy, signed in Rome on May 18, 1990.

Bulgaria has already signed similar treaties with France and the former socialist countries. The contents of the treaty follow the pattern of multilateral international conventions and the Bulgarian practice in this sphere.

Parliament also ratified the agreement between Bulgaria and Spain on the avoidance of double taxation and the prevention of income and property tax evasion. The agreement, which was signed in Sofia on March 6, 1990, regulates taxation of real estate income, business profits, profits derived from the operation of ships, aircraft and motor vehicles in international transport, interests, copyright and licence fees, professional services income, salaries and wages.

Today the Grand National Assembly ratified the Protocol for Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed in Montreal on February 24, 1988, which is additional to the Convention for Suppression of Unlawful Acts Against Safety of Civil Aviation, signed in Montreal on September 23, 1971.

Foreign Aid Agency on Shortages, Needs

AU0401205691 Sofia BTA in English 2027 GMT 4 Jan 91

[Text] Sofia, January 4 (BTA)—Bulgaria urgently needs insulin, hemodialysis filters, corticosteroids, anesthetics, anti-shock and other vital medicines. There is an acute shortage of disposable syringes, medicines for influenza, analgesics and also of baby food, Mr. Teodor Tsvetkov, director of the Foreign Aid Agency with the Presidency, told a news conference today.

Mr. Tsvetkov thanked the state institutions, charity organizations, companies and private persons from Greece, Switzerland, Britain, the United States, Germany and Holland who had sent medicines, medical equipment, baby food and other foodstuffs.

The conference was attended by Mr. Tomas Gores, representative of the North Rhine-Westphalia government, which granted Bulgaria large amounts of medicines and medical equipment. "I am sure that the humanitarian aid is being distributed properly," said Mr. Gores, who was familiarized with the system of distributing the aid among those who need it most urgently in order to inform the public of North Rhine-Westphalia.

Two influential international Jewish organizations, the French organizations "Medecins Sans Frontiers" and "Pharmaciens Sans Frontiers," charities and private persons from Britain and Switzerland were among the donors Mr. Tsvetkov mentioned at the press conference.

Holland has granted four million guilders for fodder. The Bulgarian Foreign Aid Agency has established contacts with charity organizations and companies in the United States which are willing to deliver medicines and medical equipment, Mr. Tsvetkov said.

"We are much obliged to Greece for its prompt aid," said the director of the agency, referring to the 1,000 tonnes of sugar and the foodstuffs, medicines, clothing and other goods that are regularly arriving in Bulgaria.

Mr. Tsvetkov provided details about the way the aid is distributed after going through the appropriate sanitary control and after checking the certificates of the medicines, as is the established international practice.

Mr. Tsvetkov did not deny that criminal elements are trying to profiteer on the humanitarian aid granted to Bulgaria by trade unions and other organizations. He said that the agency worked in co-operation with the law-enforcement authorities combating these crimes and called on the mass media to help foil any such attempt.

Mr. Tsvetkov described as "a disgrace" the attempt by some foreign nationals to hand out foodstuffs in the streets of Sofia today and said that was not the best way to help Bulgaria.

Klaus, Gal Discuss Politics, Economy
LD0401185891

[Editorial Report] Bratislava Slovak 1 Television Network in Slovak at 2120 GMT on 3 January broadcasts a 67-minute live discussion and phone-in program moderated by an unidentified host. The guests are Civic Forum [OF] Chairman Vaclav Klaus, who speaks in Czech throughout, and Public Against Violence [VPN] Chairman Fedor Gal.

The program opens with a quote from President Havel's New Year's message warning of the hardship to be faced this year and calling on people not to give up hope. Klaus and Gal are then welcomed to the studio.

Klaus begins by saying that on the contrary, this year provides opportunity and hope that was taken from the country for the last 40 years. Gal stresses that they will need courage and tolerance to tackle the tasks of the year.

Klaus is asked about a quote in which he reportedly said that Czechoslovakia was going to reach the economic level of highly developed countries in two to five years. He denies he ever said this. He points out that the inflation and unemployment is being influenced by events outside of Czechoslovakia, such as events in the gulf region, the dissintegration of CEMA, and the partial loss of the Soviet market. When assessing future developments, he says all these points must be taken into account, not just internal changes that are caused by the economic reform.

Asked about the atmosphere of fear, Gal admits it still persists in society. He says they first feared the communists and now fear for their living standards. He stresses that social policy has to be clearly outlined.

Klaus says economic reform is not an end in itself but the market economy is the best available method to reach the aims of each individual citizen. Klaus also points out that much attention is being paid to the social security of citizens, especially of pensioners and those who fail to succeed. Social policy is the only sphere that will receive a bigger portion of the state budget this year compared with last year.

Asked for his view of the limits of the people's endurance regarding negative impact of economic reform, Klaus says he hopes that national income will not fall by more than five percent and, therefore, an average fall in real wages should not be more than 10 percent this year. He again points out that he cannot predict the possible negative impact of rising oil prices on the economy if something happens in the Middle East, he cannot foresee what will happen with Soviet economy.

Gal stresses that it is not just the question of economic problems but also social problems—for instance the growing number of crimes. Asked about ways to tackle this year's problems, Gal complains that some journalists seem to be on a different boat than him, just watching what politicians are going to do. Asked about his alleged lack of support for Slovak Prime Minister Meciar, he points out that Meciar was nominated for prime minister by VPN. He points out there is a strong link between political and executive power.

Klaus asks if there really is a feeling of impasse and fear in the society currently. He says that citizens not only have rights but also have a duty to tackle problems themselves—not everything can be solved by the state.

Gal doubts there are enough instruments available in society for citizens to tackle the problems.

Klaus says that each citizen must feel responsible for his actions. At the same time, he says, the state can and will help financially, especially those who are most vulnerable to financial pressures, for instance pensioners.

Gal compares the elections of OF in the Czech lands with those of VPN in Slovakia and points out that OF received a much greater share of votes. The situation in Slovakia is different, its political scene is much more varied. He says that in a way he is glad that VPN does not concentrate so much political power on the Slovak political scene as OF does in Bohemia and Moravia. Therefore VPN does not face internal dissintegration. He personally opposes concentration of political power in the Slovak political scene in the hands of one person. Klaus responds by saying that he does not feel being finance minister and OF chairman is an accumulation of power.

Gal, commenting on Klaus' view published in NEWSWEEK that forces opposing reform are the same as those opposing the formation of a political party, quotes Klaus as saying that the time of civic initiatives is now over and stresses he does not agree with Klaus' view that in Slovakia the VPN and Christian Democratic Movement [KDH] civic initiatives are the strongest political forces namely because of their status as civic movements.

Klaus, asked to speak about the theory of monetarism, stresses that monetarism is not being implemented in Czechoslovakia. Czechoslovak reform is the reform of a middle stream, it is approved by the IMF.

Gal admits that social demagogy of new political parties represents a real danger for Czechoslovak society and Klaus says that it can be fought only by playing all the time with open cards. Klaus notes that liberalization of prices has to be followed by other logical steps of economic reform such as convertibility of the koruna and small privatization. He adds that the consumers' role will grow all the time.

Both Gal and Klaus are asked what kind of a political system their respective movements would like to create in Czechoslovakia. Klaus says he opposes any third ways in both the political and economic spheres. The idea of something between a centrally planned economy and a market economy is as unrealistic as the idea of civic movements. These ad hoc movements played a very important role in the developments in Czechoslovakia

but their time has come to an end. He says this view of the majority of OF members who overwhelmingly support the formation of a right-wing party.

Gal admits that this is a view of the majority but points out that many people in fact do not know what a modern right-wing party is and questions if using right-wing or left-wing labels currently makes any sense in Czechoslovakia. He says that the transformation of VPN into a political party would be a very long-term process and points out that situations in Slovakia and Bohemia are rather different.

Asked about a document prepared by the Finance Ministry on support for private entrepreneurship which has not been published yet, Klaus says that completing the process of issuing privatization laws and the entire liberalization process is the best support that can be offered by the state to private entrepreneurs. Gal introduces the issue of dirty money used in private entrepreneurship but Klaus argues that it is economic nonsense to distinguish between clean and dirty money as it is possible to distinguish only between legal and illegal income. Klaus says that a certain form of wages regulation has to be preserved for the time being to prevent an inflationary spiral.

On the development of education, Klaus says that as much money as possible is committed to this sphere but currently there are limits on how much can be given to it from the budgets. It is a question of priorities. Gal stresses the importance of the cultural sphere. Klaus agrees it would be good to be able to give more money to culture but it is simply not feasable now because there are fundamental economic changes under way. Klaus gives the example of every regional town wishing to have its own university. Klaus explains that the Czechoslovak Army's budget was reduced again this year and its reduction over the past two years amounts to 25 percent in real financial terms.

Asked about the possibility of OF being represented also in Slovakia if it is transformed into a political party, Klaus says he would welcome it.

The final question is on how the chairmen of the most important movements in Slovakia and Bohemia see the future fundamental tasks of their movements. Klaus says that OF will strive to actively influence the course of events and not to be dragged by it. Gal speaks about the stability of the federation and the need to look at each other objectively: the Slovaks at Czechs, Czechs at Slovaks.

Calfa, Pithart Queried on Economic Reform

AU0401203291 Prague SVOBODNE SLOVO in Czech 2 Jan 91 p 5

[Interview with CSFR Prime Minister Marian Calfa and Czech Republic Prime Minister Petr Pithart by unidentified CTK reporter; place and date not given: "Three Risks"—first paragraph is SVOBODNE SLOVO introduction]

[Text] Czechoslovakia is entering its second year. Among other things, the new economic reform is starting and this will be connected with certain labor pains. "What are the greatest problems that you expect and how should we face them?" (This is the question that a CTK reporter asked CSFR Prime Minister Marian Calfa and Czech Republic Prime Minister Petr Pithart.

[Calfa] There are three risks connected with the economic reform. I consider the preparedness of the people who will be directly implementing the reform, that is, the preparedness of management and administration, to be the greatest risk. Management must promptly react to the conditions that have been created and that resemble conditions existing throughout the world. Management has not been used to this because the state intervened in their affairs—for example, through budgetary measures or banks. Now it is just management who will have to react to the introduction of new changes; it will depend on them whether the enterprises will have a production program, sales, advantageous business relations, and, of course work for their employees.

The second risk is, whether will we be able to distinguish which industrial branches have good prospects and which do not, whether we will be able to tell who needs help to take a breath and, on the contrary, what would be a waste of money. Bank officials will have to improve their qualifications and adapt to this new way of entrepreneurial thinking.

The third risk of the economic reform lies in the possibility of social unrest. Some situations will arise that were not seen by two generations. It can happen that some groups of the population will misunderstand these necessary changes and they will not accept them. Before, the state took care of people from the cradle to the grave. Now, the state will take care only about the socially week. For people or productive age, it will only create necessary conditions.

We are making a unique manoeuvre and therefore we may make partial mistakes. We would not be happy, however, if some partial failure or misjudgment of the situation led to casting doubt on the trend that we have set. There is no other way for us. We all have to realize that. This is why I would like the people to understand that we cannot know everything in advance. If there are some mistakes made, we have to discover them and to repair them as soon as possible, so that the losses are as small as possible. We will have to be able to explain each step to the people, so as to prevent the establishment of any kind of a barrier between people and the government. We must not betray the trust that exists so far. This will help overcome the transitional period.

[Pithart] I have the feeling that the question relates to the planning. Or, let us put it this way, it contains an effort to foresee the unforeseeable. The greatest problem is the fact that we are starting on something what is an exact opposite of what we were doing for at least 40 years. It is something that we could not have tested beforehand. It is

something that we have to start without rehearsal and that will not go without shake-ups and pains. Each problem will the greatest one. Anything can happen. Problems will not be isolated. In every bankruptcy, strike, insolvency, etc., a whole complex of problems will be reflected. The greatest problem also is that there is nothing else left for us and that no matter what happens we will have to clench our teeth and go on.

Filkus on Expected Development of Prices

AU0701105591 Bratislava NARODNA OBRODA in Slovak 3 Jan 91 p 3

[Interview with Rudolf Filkus, minister of economic strategy of the Slovak Republic, by Marta Moricova on 2 January; place not given: "Social Repercussions: A Priority"]

[Excerpt] [passage omitted] [Moricova] We are on the threshold of price liberalization. In practice, price liberalization will mean price increases. Are the fears of price liberalization justified?

[Filkus] We expect prices to increase between 35 and 40 percent during the price shock that will become felt today [the first working day of the year after the start of price liberalization]. This means that real wages will fall, as will the standard of living, despite the [expected] growth of nominal earnings. Thereafter a process of adaptation will set in. Interest in merchandise will start to decline and entrepreneurial subjects will have to start thinking about ways of finding a market for their products. This should lead to cost-cutting, technological changes, a higher labor productivity, and price reductions. A recovery should start in the second half of 1992. Today's economic decline is due also to the fact that old mechanisms are still functioning while new ones have not yet started operating. Given the continued existence of the old mechanisms, the new mechanisms could not even started to operate, which is another argument for a rapid transition to the market. Transition to a market economy is the only way to eliminate the old mechanisms.

[Moricova] The rate of unemployment will undoubtedly increase. Unemployment is something that is completely new to us and we will find it hard to come to terms with its existence. Moreover, the predicted unemployment rate of eight to ten percent is very high.

[Filkus] This rate of unemployment is expected in the first two stages. Once the economy starts to recover, unemployment will fall. It is necessary to build a social network that would intercept the unfavorable impact of the economic reform steps.

When we demanded changes in our society, we did so also because we knew that the path pursued previously had not led anywhere. Today many people claim that all kinds of things were better then. They sense that this is not true, but nonetheless.... Well, no one can accomplish a miracle overnight. We must proceed toward the target, which is the creation of better, more dignified conditions for all of us, step by step.

Press Reports on Price Liberalization Impact

AU0601213491

[Editorial Report] Czech and Slovak newspapers on 29 December 1990 and 2 January 1991 publish reports, commentaries, interviews, as well as official announcements pertaining to the "liberalization of prices" going into effect on 1 January 1991.

Prague LIDOVE NOVINY in Czech on 29 December on pages 1 and 3 carries an 800-word Karel Kriz commentary entitled "Price Earthquake." Kriz says that the price changes that will be introduced in Czechoslovakia after 1 January "will be tantamount to a real earthquake." No such massive changes in prices have ever taken place since the establishment of the Czechoslovak Republic in 1918. Some exceptions apart, prices will correspond to the laws of supply and demand. The goal of the reform is "to create more or less spontaneously a price structure that will make it possible to develop positive impulses for enterprise," the author says.

Kriz believes that the fear that the price increases will lead to a high inflation are groundless "as long as the government succeeds in sticking to the proposed restrictive monetary policy (including credit policy) and in achieving a budget surplus, or at least a balanced budget." He says that the annual inflation rate is expected to reach 30 percent next year but that the rise will not be even. Kriz expects that after a steep price hike in January consumers and competitors will force manufacturers to reduce some prices again. The author dismisses the planned price regulation of staple foods and some other goods as "a psychological rather than a really functional measure" because "in case of compliance with a restrictive monetary policy regulation will be superfluous and in case of noncompliance no price ceilings will help."

On the same day, Prague LIDOVE NOVINY, ZEMEDELSKE NOVINY, SVOBODNE SLOVO, and RUDE PRAVO in Czech publish 800 to 1,400-word roundups of CTK and their own reporters' interviews with managers of various Czechoslovak manufacturers and providers of services on how the price liberalization will affect the prices of their products. A spokesman for the Skoda car factory, for example, expects that the price of the Skoda Favorit model will go up from 95,000 to around 120,000 korunas in the first quarter of the year and even higher thereafter. Mitas Prague, a tire manufacturer, expects the prices of its products to go up between 15 and 25 percent; Astrid Prague, a cosmetics manufacturer, says that its prices will either remain the same or will increase only insignificantly, with the exception of products made under license or from imported components. A West Bohemian dairy will raise the wholesale price of yogurt from between 3,30 and 3,50 korunas to about 5 korunas. It expects the demand for

butter to drop to 60 percent of the current level, which will cause marketing difficulties as Czechoslovak production costs exceed the world market price for butter. A West Bohemian soft drink manufacturer announces that the wholesale price of its drinks will go up from 0.79 to 1.05 korunas and from 0.90 to 1.30 korunas per small bottle. A South Bohemian meat plant will raise the wholesale prices of its cheapest products (the cheapest type of sausages will go up from 28.53 korunas to 44.90 korunas per kilogram), while the price of choice beef will be cut from over 90 to below 80 korunas. A vegetable wholesaler expects the price of onions and parsley to go up 45 percent and the price of celery 60 percent. A fertilizer manufacturer says that the price of domestic liquid fertilizers will double while the price of yellow phosphorus imported from the USSR will go up 150 percent and the price of sulfur imported from Poland 300 percent. According to a large bakery in Ceske Budejovice, it will raise the wholesale price of dark bread from 6.60 to 8.69 korunas per loaf and the wholesale price of crescent-shaped rolls from 0.50 to 0.63 korunas. The wholesale price of cement charged by a Beroun plant will go up from between 373 and 458 korunas per tonne (depending on type) to between 730 and 870 korunas. The wholesale price of detergents made by the Rakona plant in West Bohemia will "approximately double"; the wholesale price of tiles made by the Rakovnik Ceramics Works will increase 80 percent; the wholesale price of china made by a Teplice manufacturer will go up by between 102 and 150 percent; and the price of carpets made in Rumburk will increase from 63.57 korunas to 143.45 korunas per square meter for synthetic carpets and from 99.11 to 174.16 korunas for wool carpets. The increase in the wholesale price of "woven carpets" will be "much higher," however. Some of the surveyed mass city transit enterprises say that they will not increase their fares "for the time being," while others announce a 100-percent increase.

A Plzen distiller is the only surveyed plant which expects price liberalization to result in a reduction of its wholesale prices; it will charge its customers less for rum, vodka, and whisky.

Bratislava NARODNA OBRODA in Slovak on 2 January on page 2 carries a 400-word J. Blazej report announcing that air fares to "former socialist countries" are being raised "500 to 600 percent" as of 1 January. A regular one-way ticket from Bratislava to Moscow, for example, now costs 6,525 korunas, compared with 1,180 in 1990. The increase is said to be a consequence of the transition to convertible currencies in CEMA trade, of the 115-percent increase in the cost of aviation fuel, and of the introduction of various airport fees which the former socialist countries did not require from their CEMA partners in the past.

Bratislava PRAVDA in Slovak on 29 December on page 6 publishes the 4,000-word "working version" of the list of goods whose prices will be subject to regulation as of 1 January 1991. Abbreviated versions of this list, which was compiled by the Federal, Czech, and Slovak Ministries of Finance, are published also by other Czech and Slovak newspapers of 29 December and 2 January. Prague ZEMEDELSKE NOVINY in Czech on 29 December on pages 1 and 3, under the headline "Liberalization Does Not Mean Arbitrariness," publishes a 1,400-word article of admissible projection of costs into prices"; and the third part (Roman Three) articles "to which applies the obligation to announce price increases beforehand." As the Finance Ministry officials explain in the ZEMEDELSKE NOVINY interview, the Roman One section includes mainly staple foods, basic raw materials, and fuels. Articles in this part of the list will be subject to price ceilings. Producers desiring to increase the prices of articles listed under Roman Two will have to prove that the increase is "economically warranted" by the consequences of devaluation, more expensive raw material or energy inputs, etc. Producers desiring to increase the prices of articles under Roman Three, finally, must announce the intended price increase two months in advance. The price control authorities will either permit the rise or they may delay it by a maximum of two months. This last category concerns products which are manufactured or marketed by organizations with a "monopoly or dominant" position of the market (according to a RUDE PRAVO report, "monopoly or dominant" position means a market share of more than 30 percent). The duty to announce price increases beforehand applies only to increases above a set percentage. While the first part of the list (items subject to official price ceilings) concerns both domestically manufactured and imported goods, the second and third parts only apply to domestic manufacturers or retailers.

The Roman One section of the list (goods and services subject to maximum prices) is subdivided into three categories—goods whose price ceilings are set by "central bodies"; goods whose price ceilings "may be set by local bodies" (district authorities or communities); and goods, the price of which is "determined according to special regulations."

Category "A" (price ceilings set by central bodies) comprises the following items:

Feed wheat (maximum price is 1,750 korunas per tonne of standard quality); feed barley (1,800 korunas per tonne of standard quality); feed corn (2,600 korunas per tonne of standard quality); late potatoes (maximum wholesale price is between 4.80 and 5 korunas per kilogram depending on the month of delivery); raw timber (maximum price is between 35 and 50 percent above current price, depending on type and quality); water (maximum price ranges between 0.27 and 5.25 korunas per cubic meter, depending on type, quality, location, and on whether the consumer is private or industrial); bituminous coal, brown coal, lignite, briquettes, coke, "gaseous fuels for final consumers," light heating oil, heavy heating oil, "thermal energy for final consumers," and electricity with the exception of electricity supplied by the Novaky power plant to industrial consumers (the maximum price of all above types of fuel

and energy is the current price); flour (maximum price is between 4.50 and 6.40 korunas per kilogram depending on type); semolina for children (maximum price is 3.90 korunas for a 0.50 kilogram box); sugar (14.20 korunas per kilogram); pork (30 to 72 korunas per kilogram depending on type); chicken (41 korunas per kilogram); eggs (1.80 korunas a piece); milk (6.30 korunas per liter); formula (30.60 korunas per box); railroad freight transportation, passenger railroad and bus transportation, postal, telephone, and other communication fees, and radio and television subscription fees (the maximum price in all these cases is the current price).

Category "B" (price ceilings "may be set" by local bodies) comprises the following items: water and sewerage fees (except for types listed under category "A"); municipal and local public transport fares; as well as garbage collection, gardening, and funeral services costs.

Category "C" (price ceiling determined according to "special regulations") concerns housing rents and the selling price of apartments and real estate.

Section II of the list (no price ceiling is set but prices are under state control and manufacturers and service organizations must furnish evidence that the price increase is warranted by higher costs) includes the following items: gaseous fuels (except for gaseous fuels "for final consumers" listed under Roman One); motor vehicle fuels, lubricants, and other oil-based products except those listed under Roman One; electricity supplied by the Novaky power plant to industrial consumers; ferrous metals (pig iron, ferrous alloys, crude steel, rolled steel, sheets, tubes, drawn wire, etc.); non-ferrous metals and metallurgical products made of them; salt and various basic products of inorganic chemistry; pharmaceuticals and pharmaceutical basic products; cotton diapers and cotton wool; cut wood; bag, garment, and shoe leather; vegetable oil and fats; various dairy products (sour cream, yogurt, hard cheese); bread and "basic types" of wheat rolls; spectacle lenses and spectacle frames; mineral water; municipal and local public transport fares; dormitory rents; the cost of spa treatment; and designing, assembly, and construction costs.

Section III of the list of "regulated prices" (obligation of domestic manufacturers and retailers to announce price increases in excess of a certain percentage in advance) comprises the following items: products of the chemical and rubber-asbestos industry other than those listed under Section II (obligation pertains to intended price increases in excess of 25 percent); tractors and agricultural machinery (applies to price increases above 20 percent); kaolin (20 percent); masonry work (20 percent); paper and pulp (20 percent); construction glass, container glass, and sheet glass (60 percent); infant and children's clothing and shoes (25 percent); food industry products other than those listed under sections I and II (20 percent); as well as fees charged by metrological and state testing laboratories (5 percent).

In the ZEMEDELSKE NOVINY interview on the above document, the Ministry of Finance officials justify the intended price control measures by the need to protect consumers until a "fully fledged market" develops in Czechoslovakia. As they point out, many producers in Czechoslovakia maintain a "privileged position" on the market and could try to take advantage of it. The need for regulation is accentuated by the absence of a "law against cartel agreements and protection of economic competition."

One of the officials interviewed by ZEMEDELSKE NOVINY explains that, originally, milk was not to be among the staple foods subject to maximum prices. It was included in the list "at the last moment," following the decision "to retain a certain subsidy of the milk price." The subsidy amounts to 1.20 korunas per liter. Asked why beef is not included among the price-controlled items, another official replies that the "market" and the price ceilings on poultry and pork should keep beef prices "in check."

Slovak Daily on Czech 'Drum Fire' Against Meciar

AU0701105991 Bratislava NARODNA OBRODA in Slovak 3 Jan 91 p 3

[Igor Cibula commentary: "Prague Is Looking for Meciar's Successor; Tension Is Not Subsiding Even After the Approval of the Law on the Division of Powers"]

[Text] The Slovak public expected that after the approval of the law on the division of powers by the federal parliament tension in Czech-Slovak relations would subside and the attention of the Prague press would be oriented at key problems of the economic reform. Newspapers, particularly those which are close to Civic Forum [OF], continue to use a tone, however, which confirms the view that the Czechs' and Slovaks' mutual distrust has deeper roots. A week ago LITERARNI NOVINY, the literary supplement of LIDOVE NOVINY, even dared writer Ludvik Vaculik's latest finding that "Czech sympathies for Slovaks have dropped to their historical low."

Slovak advocates of Czech-Slovak mutuality deplore the above observation of this respect-commanding dissident authority because they have no doubts about its veracity. What they find even more startling is that it is not the Czech-Slovak dispute over the division of powers which the Czech environment considers to be the core of the present crisis but "first and foremost Prime Minister Meciar and his methods of political struggle." Prague journalists portray him as a "tough and fanatical Slovak nationalist," see the motives for the Slovak prime minister's political steps solely in his "personal careerism," and interpret these steps as "artificial accentuation of the national problem." According to their analyses, Meciar takes advantage of the "current absence of strong political personalities [in Slovakia], of the unpopularity of

[Jan Carnogursky] the chairman of the Christian Democratic Movement [KDH, and of the growing unpopularity of the Slovak National Party [SNS], caused by its primitive self-presentation."

These superficial judgments reach the point of naivete when, in the above article, Ludvik Vaculik bitterly complains how wrong the Czech critics of Jan Carnogursky were when they failed, some time ago, to show understanding for his ideas regarding Slovakia's position in the European context. The Christian Democrats' leader undoubtedly has some virtues, especially his ability of self-control and his tactical manners whose polished nature makes a better impression in the Czech environment than saucy straightforwardness and a voice raised by temperament. The aforesaid qualities of Jan Carnogursky do not, however, limit in any way his confederalist philosophy of future Czech-Slovak relations, even though the Prague experts on the so-called Slovak question have not completely comprehended its aims.

Prague political circles have written off Meciar as a prospective partner and are looking for a substitute. [Czech] Prime Minister Petr Pithart said about his Slovak colleague that "he has everything carefully thought out beforehand but regarding his individual statements he sometimes does not weigh his words before he utters them. He is a person of contradictions—a man of concept who is at the same time impulsive." Even before the approval of the law on division of powers the Czech prime minister was convinced that Meciar is an advocate of the preservation of the Czechs' and Slovaks' common state. Pithart's characterizations surely are not of key significance within OF circles, which have already started to bank on the "Castle wing" [supporters of President Havel] within the Public Against Violence [VPN] movement. The February VPN Assembly will show if the drum fire from Prague has strengthened Meciar's position or if it has given chances to other political personalities to launch an offensive, to personalities who may be less unacceptable to Czech chauvinists than the "iron man from the Danube."

Minister Confirms Nuclear Plants 'In Order'

LD0601225191 Prague CTK in English 1904 GMT 6 Jan 91

[Text] Prague Jan 6 (CTK)—Czechoslovak minister-chairman of the Federal Committee for the Environment Josef Vavbrousek confirmed today that Czechoslovakia's two nuclear power plants at Jaslovske Bohunice, West Slovakia, and Dukovany in South Moravia were in order, after an Italian paper today reported a radioactive leak from the Bohunice plant.

The Italian LA REPUBBLICA said in its report on an alleged radioactivity leak at Bohunice that Prague denied the report though "obviously hesitating to officially grant detailed information." The Italian paper said the Czechoslovak Foreign Ministry had only stated that "everything indicates that similar conjectures are unfounded as control instruments have not registered any event of a similar kind."

All organs and institutions concerned, to which CTK turned for information, denied anything of the sort. Duty head at the state energy control authority Dobroslav Spudil stated that work at Jaslovske Bohunice and Dukovany was normal and free of any danger and the same was confirmed by director of the Czech power-generating works Petr Karas. Also the Czech Hydro-Meteorological Institute had no information of any leak.

Dienstbier Returns to Prague From Gulf Region

LD0701012591 Prague Domestic Service in Slovak 2200 GMT 6 Jan 91

[Text] Czechoslovak Foreign Minister Jiri Dienstbier returned to Prague this evening from his five-day visit to Saudi Arabia, Oman, and the United Arab Emirates. Before his departure from Abu Dhabi, he was asked by CTK how, after his talks in the Middle East, he assessed the prospects for peace. He answered that nobody yet dares to estimate the development unequivocally. Everybody with whom he held talks expressed the hope Iraqi President Saddam Husayn will withdraw from Kuwait. At the same time they add, however, that the dictator's behavior is unpredictable. According to Jiri Dienstbier, statesmen in the region so far agree Iraqi troops must leave the whole of Kuwait unconditionally.

Vales Says Exports to Soviet Union To Decline

LD0401152191 Prague Domestic Service in Czech 1430 GMT 4 Jan 91

[Text] According to the results of the latest talks with Soviet partners, Czechoslovak exports to the Soviet Union will amount to only 28 percent of last year's volume. Imports are to amount to about 40 percent. Vaclav Vales, deputy prime minister of the Federal Government said this, at a news conference held by the coordinating center of the Civic Forum [OF] in Prague today.

He pointed out that a final decision about the extent of our trade with the Soviet Union had not been made yet. There is still some room for maneuver, above all in the Russian federation and the Ukraine.

(Vojtech Sedlacek), head of the coordinating center of OF, briefed journalists about the composition of delegates for the January assembly of this movement.

Regarding the parliamentary clubs of OF which are being formed, the representatives of its coordinating center said that these are not OF bodies, but bodies formed on the platform of this movement. In their view, this is fundamentally different.

Diplomatic Ties Established With Swaziland

LD0501095691 Prague Domestic Service in Slovak 0500 GMT 5 Jan 91

[Text] At the United Nations, an agreement on establishing diplomatic relations at the ambassadorial level between Czechoslovakia and the Kingdom of Swaziland was signed yesterday at the Czechoslovak permanent mission to the United Nations in New York. This is a further step by the Czechoslovak Government to normalize relations with all countries in the world.

Economics Minister Evaluates CEMA Reorganization

LD0501230991 Prague Domestic Service in Czech 1830 GMT 5 Jan 91

[Interview with CSFR Economics Minister Vladimir Dlouhy by unidentified reporter in the studio in Prague—live]

[Text] [Reporter] Good evening, we began our television news bulletin with the most important news [Moscow CEMA Talks] of this day. One of the main protagonists of the Moscow talks, Federal Economics Minister Vladimir Dlouhy, heard it with me here in the studio.

Good evening, Mr. Dlouhy. Preparations for this transfer from CEMA to a new organization took about one year. What was the character of this work? Did your views correspond, or did some differences emerge as early as the beginning?

[Dlouhy] Well, listeners might remember that last year at the 45th CEMA session in Sofia, the Czechoslovak delegation strongly criticized CEMA actions up till now. A special commission was created there, within which a working group was created that I led all year, and which held its sessions in Celakovice. Celakovice thus entered the last period of CEMA's history.

Indeed, we had to overcome many differences of opinion. For the first year we devoted our activities to the creation of a new concept. This concept still has many shortcomings. In several places it still bears marks of the former vocabularly and former views. But, there was such small scope for all ten countries to come to an agreement. During the second year, on the basis of all the changes in progress in individual countries, in particular those of Central and Eastern Europe—I must say also that the Soviet union considerably changed its point of view—it was apparent that we cannot rebuild CEMA. It is necessary to abolish it. This means that CEMA's is really ending. It is ending as an international integrating organization that used to coordinate plans of individual countries. These plans do not exist anymore. So there is nothing to be coordinated. Still, we have arrived at a conclusion, made with regard for some political facts, including the internal political situation in the Soviet Union, and other political and economic facts. All the countries have unanimously concluded that it was possible to create a certain joint integrating organization, which, of course, would have a completely different character.

[Reporter] Right. The old CEMA will cease to exist, but it will be some time before a new organization is created. Are you worried about this vacuum?

[Dlouhy] Well, first, I would not be too worried about this vacuum. Throughout the entire year, we openly asked ourselves if there should be any organization at all, if it was now even necesary. You know that Czechoslovakia's position has been clear from the beginning. In the next ten years we want to join the all-European organizations, whose main center today is the European Community. We still must wait to see if during those ten years few will see some common European economic sphere emerge. I think that the Organization of International Economic cooperation, as the new organization will be called, can be a temporary integrating body, where we can deal with problems that will certainly emerge in our mutual trade, because we have inherited high-level muitual economic relations.

[Reporter] How does the European Community approach this new process?

[Dlouhy] I have to say that at all my contacts, not only with the EC, but also with other regional integrations like the Pentagonal, or even at bilateral talks with representatives of West European countries, we have almost always heard the view that it was necessary to either preserve CEMA or replace it with a different organization. This has now happened. Views on preserving some sort of integration in the East were quite unequivocal.

[Reporter] In Moscow, you held talks about CEMA, about its future shape, about the future shape of the new organization. Did you also hold other talks, talks about economic relations between Czechoslovakia and other countries?

[Dlouhy] Yes, the very first day I made use of the fact that the Soviet Union's CEMA representative is Soviet Deputy Prime Minister Sitariyan. We talked for about 90 minutes about bilateral issues. Of course, we mainly talked about oil supplies from the Soviet Union. We have succeeded in reaching an agreement on the total volume of oil supplies for January, thanks to which the situation in which we were during the months after September can continue. As far as the prospects for the following months are concerned, both sides must find a new model for cooperation, in our country under conditions of internal convertibility, and in the Soviet Union, unfortunately, in conditions of considerable uncertainty and changing relations between the federation and the republics. We have created a basis for this.

[Reporter] Thank you for the interview.

[Dlouhy] You are welcome. Goodbye.

Prague Civic Forum Begins Conference

LD0501133191 Prague Domestic Service in Czech 1100 GMT 5 Jan 91

[Text] A conference of the Prague Civic Forum [OF] organization has begun in the Central Cultural House of Railwaymen in Prague. Attending the session are the movement's chairman, Vaclav Klaus, as well as Federal Deputy Prime Minister Pavel Rychetsky, Federal Assembly Deputy Chairman Rudolf Battek, Czech Interior Minister Tomas Sokol, and Czech National Council deputies.

The delegates confirmed Milan Kondr in his post as an official of the Prague OF Council. In a report on the organization's activity, he called for unified organization in the movement and for it to work together with right-wing democratic parties.

We will keep you posted on the Prague OF conference.

Favors Becoming Political Party

LD0501225891 Prague Domestic Service in Czech 2030 GMT 5 Jan 91

[Text] At today's second Prague Assembly of the Civic Forum [OF], representatives expressed themselves in favor of turning OF into a party with clearly defined views. Representatives from only three out of the 13 Prague districts voted for the preservation of OF as a movement. The requirement of changing into a political party is part of the theses of OF's political program, which are a basis for the republic-wide assembly.

The session also discussed whether membership of a future political party should be individual or collective. The concern was frequently voiced that there would be a marked weakening of OF because citizens still dislike entering political parties.

Milan Kondr was confirmed in his post of representative of the Prague Council of OF.

Votes on Resolutions, Motions

LD0601104891 Prague Domestic Service in Slovak 0500 GMT 6 Jan 91

[Text] The delegates to the second congress of the Prague Civic Forum [OF] organization yesterday voted to change the movement into a political party with clearly defined views. This demand is one of the theses of the political program to be submitted as a policy document to the republican-level OF congress. The participants also endorsed the standpoints of the Prague and Brno OF Councils on setting up the Liberal Club. They noted that in current conditions this was more a sign of buckpassing and an unwillingness to bear a share of the responsibility for the transition to a market mechanism for the economy. The delegates wound up by approving a motion to be tabled at the republican-level congress that only individual membership of OF as a political party would be allowed.

Klaus Says OF Faces Possible Restructure

LD0601195591 Prague CTK in English 1623 GMT 6 Jan 91

[Text] Prague Jan 6 (CTK)—Chairman of the strongest political force in the Czech Republic, the Civic Forum (OF), Vaclav Klaus said today he was doing his best to prevent the movement from splitting into two, three or more parties.

In an interview for CTK Klaus said that the party which would be set up from the OF should include a majority of OF supporters, nevertheless, he pointed out the existence of "tremendously deep differences", adding that "the differences between some members within the OF is not smaller than those between an OF member and a member of some other political party".

The final answer to whether the OF is reshaped into a political party or remains a broad movement integrating different political streams, or is orientated to the right, will be given by the OF Congress in Prague on January 12, attended by delegates elected at district congresses. Incomplete reports so far on the positions of district OF congresses show considerable differences in opinions on the future of the movement which scored a convincing victory in last June's parliamentary elections.

At the Prague congress Saturday, only three of the 13 districts favoured to maintain the OF as a movement and the delegates passed by a majority of votes a resolution criticizing the foundation of the OF Liberal Club as an expression of "buck-passing" and of opposition against Chairman Vaclav Klaus. Eight of the ten members of the Czechoslovak Government, representing the OF, are Liberal Club members. Some district organizations called for the setting up of a rightwing political party, others agree with the existence of the two main streams of opinion, i.e. the right-wing and Centrist (Liberal Club), but want the political force to exist as a movement. The third variant is the setting up of a political party of a looser type, which would not be clearly right-wing.

Liberal Club representative, Federal Deputy Prime Minister Pavel Rychetsky told CTK that the split of the OF into more political parties, which might take place at the next OF Congress, would question the legitimacy of the OF deputies to the Federal and Czech parliaments as they could hardly represent parties which did not exist at the time of the last June elections. He said that "classic schizophrenia" is seen in the OF. He said it was necessary to adopt democratic mechanisms characteristic of political parties but the OF cannot behave as a political party as it won the elections as an open political movement. The OF's motto in the campaign before last June's elections was "parties belong to party members, the OF to all".

Czech Communist Head on Party Policies, Situation

AU0401162091 Prague RUDE PRAVO in Czech 28 Dec 90 p 2

[Interview with Jiri Svoboda, Communist Party of Bohemia and Moravia chairman, by Vaclav Pergl; place and date not given: "A Referendum on the Name Is Not Topical"]

[Text] Jiri Svoboda (45) has chaired the Communist Party of Bohemia and Moravia for approximately three months. He answered our questions:

[Pergl] In the first interview you granted to RUDE PRAVO in October, you said that you "would not want to direct a theater of the absurd." What is your opinion today?

[Svoboda] The usual period for refraining from an assessment is 100 days. I have not been in office that long. If I were to compare it with my original profession—movie director—then we are in the period of preparatory work. New people came to head the new departments in the Central Committee of the Communist Party of Bohemia and Moravia. We are introducing a broad informational system. The Communist Party of Czechoslovakia is no longer accustomed to life in a pluralistic parliamentary democracy. Therefore, we have to draw on the experience of other communist and socialist parties, particularly from the West, which live in one.

[Pergl] Hence, the word "absurd" is no longer valid?

[Svoboda] In modern history, the borders between tragedy, farce, and the theater of the absurd are very volatile. The transition from one genre to another one is easy.

[Pergl] Even the congresses have not prevented further differentiation in the party....

[Svoboda] Internal party life has not been the life of the party but rather the life of an ideological sect. This stereotype survives in the minds of some people. Differentiation of opinions in the party occurs not in attitudes toward concrete social issues, but in a kind of "religious school" atmopshere where people argue about details in theoretical ideological formulas which can only form a general framework. These arguments are pointless. They belong neither in the primary organizations nor in the Central Committee of the Communist Party of Bohemia and Moravia, but in scientific institutes. If the Communist Party of Bohemia and Moravia were to deal solely with its internal problems, it would cease to be a political party and would become a religious sect.

[Pergl] Upon the adoption of the Law on Transferring the Assets of the Communist Party of Czechoslovakia to the People, voices were heard that demanded calling an extraordinary congress that would assess the rising new political situation....

[Svoboda] These are ideas of people whose ambitions were not satisfied by the delegates of the First Congress of the Communist Party of Bohemia and Moravia, and they believe that the law offers them a new chance. Others reject the pluralism of opinions and are wiping the dust off stereotypical thoughts which in the past caused tremendous damage to our party. There is no need to despair about the property until it is known how the law will be applied. It is not of principal importance whether we will be a rich or a poor party, but whether we express the social interests of concrete groups in the population. It is curious that the bill is being drafted by the Finance Ministry headed by Minister Klaus, who is also the chairman of the strongest [political] movement in the country. If I wanted to "short-circuit" the entire process, I would say that the chairman of one party or movement is drafting guidelines on the manner of dispossessing a competing political party of its assets. It is unique....

[Pergl] Will the personal evaluation files be transferred together with the archive materials? Many communists are voicing their concern that the archives might be abused by compromising present and former members.

[Svoboda] The archive—as far as I know—does not contain any personal evaluation files. It is open. True, any type of archive can be used for one's own purposes. I do not exclude the possibility, however, that various "historic" scandals may appear. Is it the fault of the archives? No. Only the fault of specific people. It is important that the contents of the archives serve merely as a matter of record for us. And it is also important that the person who will decide on the fate of the archive has sufficient political ethics. If so, then the archive certainly will not be abused simply for attacks on some selected people who are inconvenient.

[Pergl] Will there be a referendum on the name of the Communist Party of Bohemia and Moravia?

[Svoboda] Prior to the congress, there were already a kind of small referenda in district organizations. They decided not to change the name. A consensus was reached by the members of the Executive Committee of the Communist Party of Bohemia and Moravia Central Committee that at present such a referendum is not relevant. It would not contribute anything new.

[Pergl] What will the policy of the Communist Party of Bohemia and Moravia be like in 1991?

[Svoboda] We will support the transfer to an effective social market economy and will react flexibly. Society must be protected from disproportional social ballast. Laws must be drafted so that they are advantageous for the local population and not, for instance, for some foreign investors in Czechoslovakia.

Minister Opposes Publication of Agents' Lists

LD0501203791 Prague CTK in English 1650 GMT 5 Jan 91

[Text] Prague Jan 5 (CTK)—Czech Interior Minister Tomas Sokol warned today that the publication of the list of all agents of the dismantled "StB" secret police could lead to "bloody disputes" in the whole of Czechoslovakia.

At the regional congress of the Civic Forum [OF] in Prague, Sokol said it was inadmissible for former StB [State Security] agents to hold important political and state functions but they should be given a "chance to leave of their own accord and quietly because their families and children cannot be blamed for anything and it is difficult to assess the reasons which made them collaborate with the secret security service".

Sokol warned that if the federal parliament approves the publication of the list of StB agents and informers, "physical assaults, errors, excesses and a true St. Bartholomew massacre" could hardly be prevented.

The number of collaborators of the former StB is estimated at 140,000. The registers containing data about the agents were recently made available to the federal parliament's commission investigating the events of November 17, 1989, which led to the downfall of the communist regime in Czechoslovakia. The parliament is expected to vote later this month on whether or not the names of agents are published.

Some delegates to the OF congress disagreed with Sokol's opinion, demanding that the lists be published as soon as possible.

Government Revokes Decision on Privatization

AU0701100491

[Editorial Report] Prague SVOBODNE SLOVO in Czech on 2 January 1991 on pages 1 and 3 carries a 500-word "(js)"-signed report on the 29 December session of the Czech Government. According to the SVOBODNE SLOVO report, the government session decided to halt the planned privatization of the Prague Ambassador hotel, i.e. its transition from a state enterprise into a corporation. The report puts this decision into context with the "rumors in our capital that former members of the State Security Corps [StB] and some political dinosaurs from the pre-November [1989] days would like to 'launder' their money" in this transaction.

In brief interviews with the SVOBODNE SLOVO reporter, which were conducted after the government session, Czech Republic Justice Minister Leon Richter and Czech Republic Interior Minister Tomas Sokol indirectly confirm the rumor. Richter says that the government revoked its decision on the privatization of this state enterprise "because it obtained certain information suggesting that not everything in this hotel was in order" and because it wants to "verify this information" and "investigate the whole affair." Sokol adds that "we want to examine the people who are on the management board of the Ambassador corporation."

According to the SVOBODNE SLOVO report, the Czech Government's step confirms the justification of the calls for "completely purging the restaurants and cafeterias and interhotel companies of their present managements" before the start of the privatization process as these people were responsible not only for large-scale embezzlement and tax evasion but were in the services of the "StB and organizations of similar type."

Calfa Interviewed on Reform Projects, Prices

LD0401223191 Prague Federal 1 Television Network in Czech 1850 GMT 4 Jan 91

["Ten Minutes With the Prime Minister:" interview with CSFR Prime Minister Marian Calfa by unidentified reporter; place and date not given; questions are in Czech, Calfa's responses are in Slovak—live or recorded]

[Excerpts] [Reporter] Mr. Prime Minister, the economic reform has started. [passage omitted] I think that even the most liberal economist must assess the social aspects of such complicated economic projects. What is your view? [passage omitted] Could you tell something about the impact of the reform on pensioners, as they might feel it the most?

[Calfa] [passage omitted] We have over 300,000 pensioners living on the limit of social need. The group of socially needy does not contain only pensioners, it contains also slightly under 100,000 families with almost 200,000 children. [passage omitted] The Federal Government is adopting a decision in the form of a governmental decree about the increase of pensions in relation to the increase of the cost of living and average earnings. We will start 1 March: All pensions should be increased by eight percent from 1 March and the pensions allocated before 1978—that is the lowest and the oldest—should be increased by an additional three percent, those allocated later by two percent, and one percent. Therefore, de facto, we will be increasing pensions on 1 March by 11, 10, and nine percent. [passage omitted]

[Reporter] On Wednesday we did our first shopping since the 1 January price deregulation, and it was undoubtedly tough for the consumers. I would like to ask one thing: There is talk that a battle will begin between consumers, the manufacturers, and shopkeepers. The consumer is, of course, able to influence the market simply by not buying goods. Of course, they need not buy things like shirts or shoes for some time, but they have to buy staple foodstuffs every day. The biggest surprise here is that the price ceilings for some staple foodstuffs, such as eggs and milk, are not being adhered to, and higher prices are being charged. What do you say to this?

[Calfa] There are one or two things to be noted here. First, we announced that prices would be liberalized from 1 January—that means that price controls would be

lifted. I would like to say that it is not the state which sets the prices. Prices charged now reflect the manufacturing cost and the market price. Everyone is trying to add a little bit on for his own overheads, and so forth, so now at long last our people can see how much it costs to produce things in Czechoslovakia and what their market value is. The state really does not intend to set prices in the future. Prices, as is the case everywhere else in the world, will be governed by supply and demand, by free market forces, and therefore it is true that at times and in places these prices will differ. People will just have to get used to this; it is not a new phenomenon for Czechoslovakia because it has been part of our history. This system is simply something of a change, a rather tough change for the two new generations which have not known this before, but they will have to adapt to it. In the rest of the world it is commonplace, so there is nothing to be surprised at; that is the first point

Second, the state will still continue to subsidize certain sectors to some extent. For the time being this means the processing sector and also the food industry. I would like to say one thing here: Where the state provides a subsidy it is trying to maintain a certain degree of control over its subsidy, that is to say, control of the input prices. The state does this in the form of decisions by the Finance Ministry, and if anyone does not respect these decisions on maximum prices in some sectors then the state has enough means at its disposal to intervene. The toughest possible sanction—there are various forms of fines—is that the state will not tolerate the activity of such traders, and will simply review their licences. The state must put things in order and comply with its decisions.

[Reporter] Let me ask the last question connected with prices: Yesterday, the government adopted a decision on regulating wages. It is natural that the government is trying to prevent inflation, so it does not want to set off a spiral, but nonetheless it remains a fact that prices have risen horrendously and that wages are supposed to stay relatively at their present levels. How long can this regulation be made to stick?

[Calfa] The government declared this regulation, but it said at the same time that it will return to it in approximately six months. It will return to it in particular because it is really an element which is foreign to trade mechanisms, which we are only just entering. That is, for a certain interim period, some regulating elements will remain, and we are very much in need of them. This is one of them. If we completely let go of the entire area of earnings it would then start to grow out of control in relation to prices. The classical picture of inflation would emerge, one we really would not like to repeat because we have seen it in some neighboring states. Therefore, we keep this regulation as one of the basic tools for creating a return pressure on prices, on the level of prices. We tried it out with meat. It is really effective, it really works. Therefore, we believe that by maintaining the level of earnings, conditions will be created to make the prices that increased to come down to some normal level, where there will be no speculation, but a real game of demand and supply. This is a tool needed by the government, one which it does not intend to let go in this period.

[Reporter] Thank you.

Negative Population Growth in Czech Republic

AU0401141991 Prague RUDE PRAVO in Czech 29 Dec 90 p 2

[CTK report: "Is Our Population Declining?"]

[Text] Prague (CTK)—The birth rate was lower in Czechoslovakia in 1990 than in 1989, when 128,356 children were born. Therefore, a further birth-rate reduction by 0.2 per thousand to a rate of 12.2 per thousand is expected. This information is included in the preliminary statistical report on health care in the Czech Republic for 1990 submitted by the Health Information and Statistics Institute in Prague.

Compared to last year, a slight increase in the mortality rate of 0.1 per thousand to 12.4 per thousand is expected (i.e. approximately 130,000 deceased). Therefore, in 1990 the natural population growth in the whole Czech Republic will be negative for the first time at -0.2 per thousand. Compared to the five-year average, the mortality rate for 1990 is higher only for tumor and digestive-system diseases.

The child mortality rate in both new-borns and babies increased in 1990 by 0.6 and 0.5 per thousand respectively. In 1989, 866 newborns died (6.9 per thousand) and 1,078 babies (i.e., 13.5 per thousand).

Slovak Prime Minister Comments on Economic Reform

LD0701095591 Bratislava Slovak 1 Television Network in Slovak 1810 GMT 6 Jan 91

["The Slovak Prime Minister Speaks": talk by Slovak Prime Minister Vladimir Meciar; place and date not given—live or recorded]

[Text] [Passage indistinct] Devaluation means that those enterprises and economic sections which depend on imports will be worse off. Those which depend on exports, respectively those who export a lot, will be better off.

The majority of Slovak enterprises depend on imports. You know what it means—worsening of the balance of their accounts. Supplies of raw materials—and here we depend on imports as well—are not fully guaranteed by agreements, and their prices will be increased several times in the course of this year. This will again in a certain way destabilize those enterprises which depend on imports.

Our exports to the Soviet Union and the German Democratic Republic [as heard] have suffered rather seriously. A number of products which can be exported to the West fail to withstand competition.

Asessing our technology: We have new buildings and very old machinery.

Returning again to our economy, its structure and impact, we have to say that without structural changes we will be unable to move a single step foward; these changes are inevitable. Returning to our problems, we have to say that we did not solve the problem of conversion [of industry] and probably are not going to solve it this year either. Foreign aid is limited, and though we are holding talks about it we cannot reply on its arrival. We will try very hard to get it but it is not certain that it will arrive.

Therefore, assessing all the input elements—from the point of view of currency, finances, credits, etc. —they are complicated. We need to speak about them openly, and then you can react to them.

In essence, the development of our reform in this period is envisaged in three steps. The first step, liberalization of prices, was embarked upon on 1 January. I beg you to take into account that this is the beginning and not the end of the process. The movement of prices— that prices can be freely set by producing organizations and producing private entrepreneurs—will be approaching market conditions through an opportunity given to them to change prices for so long as you buy their goods. This means if I buy certain goods, I agree with their price.

Of course, this situation of overpricing will lead to the situation when some enterprises having problems with input and other problems will attempt to pass it on through prices. It is envisaged that the increase of prices will last for about half a year. It is impossible to envisage the exact total of this increase, but it is estimated to amount from 30 to 50 percent of your consumption.

Obviously, we have not formed the competition environment yet, and therefore we are unable to sufficiently fight the increase of prices. We set up the Antimonopoly Office which is going to check that monopoly prices are not set. We have to concentrate more on the quality so that bad quality products are not going to be sold to us for high prices. There are also such people who want to make use of this kind of situation and enrich themselves quickly. This is an ill-considered and incorrect way of thinking.

Taking into account this movement of prices, we have of course paid attention also to the movement of salaries. We have to stabilize wages on the level of 1990. The increase of wages will be slowed down. On the whole, it is envisaged that real buying power will fall by approximately 10 to 15 percent.

Why are we creating such a situation? Because it is the only mechanism to control the increase of prices and halt it as soon as possible. If not enough buying power and enough money are available, the increase of prices has to stop. If we take the path of increasing salaries, then prices will immediately go up. And the vicious circle of money and prices will end in hyperinflation, and we will find ourselves in the same position as the Poles are now. That is why we are going to take some measures in the sphere of wages, and this difference will be growing.

The second phase, which is going to follow the first step, after a certain stabilization of prices, means that enterprises which did not solve their situation through prices will seek ways to reduce their own costs. As their products fail in competition, they will have to go down with prices and will be losing out.

It is envisaged that during this period—roughly in the second half of this year—a number of enterprises will try to ease their situation through layoffs. Of course, we are unable to envisage the total number; estimates vary, scenarios vary. Another accompanying phenomenon will be that some enterprises will fold. We will be unable to help them. Everything depends on you—how you are going to organize your life in enterprises to prevent total collapse. Credits will be given only to those which will know how to make use of them, and the interest rates will have to be higher.

Such a situation of the production sphere will persist roughly till the second half of 1992.

The third step should follow in the second half of 1992, when some enterprises will already be capable of accomodating themselves to market conditions; they will be market-wise and will have a clear idea about their production, will know how to sell, and will have production, technology, and economic links established.

This is a very complicated period, which we can only overcome with your agreement, esteemed fellow citizens. You must also agree to a certain period of tightening our belts. The 1991-1992 [stabilization] period can be made shorter if everyone agrees; and you must also agree that there will not be any strikes, social unrest, and instability which would only delay the whole process.

Naturally, it will be complicated, but society as a whole must overcome it. We must make use of every strength we have. Those who work with their hands must use their strength; but above all the intellectuals, those who work with their heads, will bear the greater part of the responsibility for the future fate and development of Slovakia.

During the course of future days when you will be addressed by individual members of the government, it will also partly be an address from me, because today I only have time to tell you about the stages of development and where the risks of development lie. But we mut also tell you how your state will care for you and support you in such a way as to secure the basic needs of each of you. We will do everything to ensure that each one of our people is also an economist in his thinking, so that each one knows what the actual situation is, where we are going, and what we will have to face in the near future. It is not easy for you, and it is not easy for the government. There is no single way of overcoming this period. I believe that we will succeed, but we can only succeed if we are united and if we give our work our all.

Thank you.

Slovenia's 'Courage' To Be Independent Praised

AU0701102791 Bratislava NARODNA OBRODA in Slovak 2 Jan 91 p 4

[CTK report: "Slovakia Is Not Slovenia"]

[Excerpt] [passage omitted] Jan Carnogursky, chairman of the Christian Democratic Movement [KDH] and first deputy prime minister of the Slovak Republic, also expressed his opinion on the developments in Slovenia, in a telegram addressed to Slovene Prime Minister L. Peterle. The telegram reads: "We follow with suspense the political developments in your country, the endeavor of the Slovenes to declare their own independence and sovereignty. We fully respect the results of the national referendum in which the Slovenes opted for independence. We hold in esteem your political courage and will use our position in the KDH of Europe for the outcome of the referendum to be accepted. We wish you much success in the further development of your statehood."

Jeszensky on Iran's Views on Iraq Pullout

LD0601144491 Budapest Domestic Service in Hungarian 1400 GMT 6 Jan 91

[Text] The Hungarian foreign minister said that the Iranian leadership welcoms Hungarian efforts for the development of economic and trade relations. Evaluating his visit to Tehran, Geza Jeszenszky said that the changes taking place in Iran may promote bilateral relations and economic cooperation.

As for the Iranian stance on the gulf crisis, the Hungarian politician is of the opinion that Tehran has gotten into a delicate situation. Iran would indeed be pleased if the conflict ends peacefully and Iraq withdraws from Kuwait. It is expected in Tehran that Baghdad will retreat at the last minute and will not run the risk of a clash.

Regarding the difference between the stances of Budapest and Tehran, the Hungarian politician said that the two standpoints are identical as regards the final goal. While Tehran is basically neutral, we will support international action against the aggressor, if all other means fail.

Security Official on Iraqi 'Terrorist' Threat

LD0501225591 Budapest Domestic Service in Hungarian 1500 GMT 5 Jan 91

[Interview with Colonel Istvan Gladek, deputy director general of the National Security Office, by Tibor Hollauer; place and date not given; first paragraph is announcer's introduction—recorded]

[Excerpts] Nobody wants war; however, there have not been so many weapons amassed anywhere at any time since World War II as there are now in the gulf area. [passage omitted] Can we take seriously the news that the Iraqis are threatening to carry out terrorist acts in the countries that turn against them? First an official of the National Security Office answers questions from correspondent Tibor Hollauer.

[Hollauer] Colonel Istvan Gladek, deputy director general of the National Security Office. Last Thursday's [3 January] news was that some 80 Iraqi citizens were expelled from Britain on the grounds that they were a threat to national security. Have Iraqi citizens been expelled from Hungary, or are there any plans to expel them?

[Gladek] My answer is a definite no. Currently, as far as I know, the government is not planning to expel Iraqi diplomats. The National Security Office has no information on this.

[Hollauer] Does this mean that Hungary is not included in the threat that the Iraqi leadership has addressed to countries that turn against them, and in which they said they would try to cause disturb the national economies.

[Gladek] Terrorist acts may be carried out in a possible war. Hungary could be affected as well, because according to the declaration by the terrorist organizations, the countries which participate in carrying out the UN sanctions and send troops, even if only symbolically, can expect various terrorist acts being carried out on their territories.

[Hollauer] I believe that this step by London was taken to prevent this, as the people employed by embassies and other organizations linked to the embassies of certain countries are not only diplomats but probably even people belonging to some kind of secret service, whose task may be the coordination of terrorist action there. Do we have to fear this in Hungary?

[Gladek] According to the information we have currently we do not have to fear this. Of course, if we receive any information of this kind, we shall pass it on to the government immediately and the government will make decisions based on political interests. When these decisions will be made and what they will be, I do not know.

[Hollauer] Is there any decree prohibiting Iraqi citizens from entering Hungary?

[Gladek] No, there is not.

[Hollauer] Are there any restrictions concerning the movements of Iraqis in the country?

[Gladek] No, they can move freely in the country; this does not mean, of course, that they are without any national security control.

[Hollauer] Then, how can we be sure that they will not carry out terrorist acts? If they are allowed to travel to Hungary, if nobody is expelled, if there are no restrictions, how can you be so sure that there will be no terrorist acts, or how can you prevent them?

[Gladek] We are not at all sure that there will be no terrorist acts in Hungary. There is no security service in the world which would dare to state, in full awareness of its responsibility, that no terrorist act will be carried out in its country because it is capable of preventing it. [passage omitted]

[Hollauer] Do you have any professional idea about the kind of terrorist acts that might be carried out?

[Gladek] We do have our ideas; in fact, I can say we have information, partly gathered by ourselves, partly received from abroad. It is well known that in Europe, and also outside Europe, there are hibernating terrorist groups which carry out various terrorist acts. [passage omitted]

[Hollauer] Are there such hibernating terrorists or groups in Hungary?

[Gladek] We assume there are. I emphasize that the National Security Office is watching the movements of these groups as far as possible. I would, however, like to

state that with the knowledge and support of the government of the Hungarian Republic there are no terrorists in Hungary at present. [passage omitted] The National Security Office and, although I am not authorized to say, but I think I can say that not only the National Security Office but all the security services and state bodies take this issue extremely seriously, day and night, Saturdays and Sundays, we always are ready to do everything possible to prevent this, and if it does happen, to make sure it does not go unpunished.

Refugee Office Representative on Soviet Refugees

AU0401182591 Budapest NEPSZABADSAG in Hungarian 30 Dec 90

[Interview with Judit Toth, deputy head of the National Office for Refugees, by Akos Toth; place and date not given: "Twelve Soviet Political Refugees"; first paragraph is NEPSZABADSAG introduction]

[Text] Nowadays, the air is full of gossip and rumors; people are trying to guess whether the Soviets are coming, because the possibility of them coming is now a fact, and an increasing number of signs point in that direction. We asked Judit Toth about expectations for next year.

[Judit Toth] First, I have to say that neither our state organizations, nor Hungarian society in general, have really prepared themselves for the welcoming of a massive emigration flow, although it has to be said that we have made considerable progress during the past two years. We have passed new laws, we have joined various international agreements, the National Office for Refugees exists and is functioning, and we also have refugee camps. To return to your original question, there is a real possibility of people wanting to leave the Soviet Union, but at this stage, it would be impossible to predict the magnitude of this "migration." According to our information, 400,000 Soviet citizens have been issued emigration permits this year, and as far as I know, there are another 500,000 emigration applications under review.

It is our aim to prevent hundreds of thousands, or—God forbid—millions of people from entering our country, and our first preemptive measure is of an administrative nature. We also have to bear in mind, however, that in practical terms, quick mass migration from the Soviet Union is impossible. I am referring to the fact that in such a huge country, travel possibilities are fundamentally limited; the country's passport issuing capacity is actually minimal, food ration tickets are restricted to specific localities, there is a great gasoline shortage in the country, and these factors all contribute to limited travel possibilities. All these elements are factors which would slow down a possible emigration fever. If all else fails, however, I would not exclude the option of introducing mandatory visas.

[Akos Toth] How many Soviet citizens have refugee status in Hungary at the moment?

[Judit Toth] By November 1990, a total number of 330 Soviet citizens had showed up as customers at our office and at our local branches. Most of these people wanted to know what the requirements would be if they should want to settle here, and a good number of these people were looking for members of their family (presumably resident in Hungary.) I have to mention that most of these 330 people had stayed behind after organized tours. Altogether, 50 people applied for refugee status, and 12 of them were successful in their application.

[Akos Toth] Are there any soldiers among the Soviet citizens resident in Hungary right now?

[Judit Toth] As far as I know, there were some soldiers among these 330 customers, but I cannot give you any exact figures.

Slovak Ethnic Education Receives No Funds

AU0401185691 Bratislava PRAVDA in Slovak 2 Jan 91 p 1

[CTK report: "An Attempt at Correction Did Not Take Place"]

[Text] Budapest (CTK)—On Sunday - Monday night, the Hungarian parliament approved the 1991 state budget, which satisfies the IMF conditions for providing Hungary with important credit in the amount of 2 billion dollars. The IMF had a proviso that the budget deficit in Hungary could not surpass 78 billion forints, which the new budget satisfies in principle. As Deputy Maria Jakab, chairperson of the Association of Slovaks in Hungary, asserted in an interview granted to MTI, there are no funds in the budget for national education in 18 communities in which members of the Slovak minority in Hungary live. She said that she tried to correct this shortcoming in the parliament and proposed to complement the budget so as to provide support for pupils in the Slovak schools similar to that provided for members of other ethnic minorities in Hungary. Her motion was turned down.

Police on National Alert Over Price Increases

LD0601181791 Budapest Domestic Service in Hungarian 1700 GMT 6 Jan 91

[Interview with Gyorgy Suma, spokesman for the Office of the National Chief of Police, by Andras Takacs; place and date not given—recorded]

[Text] [Announcer] We have already reported that strategically important areas of Budapest are under police observation fearing a possible taxi drivers' action. Now it has been discovered that the alert extends not only to the Metropolis but to the entire country. You will learn more from the interview conducted by Andras Takacs.

[Takacs] Gyorgy Suma is the spokesman for the Office of the National Chief of Police. How long will the police alert last on the bridges in Budapest?

[Suma] Unfortunately I cannot give you a concrete anwer. The reason is not because this is a secret; simply, no decision had been made which sets a deadline for the withdrawal of the police forces.

[Takacs] The reason for this alert is only the fear of a taxi drivers' blockade?

[Suma] In connection of the expected price increases, critical situations could develop where the police would have a certain preventative role. The increased police alert on the roads is to prevent the occurance of events which could not then be averted by other methods.

[Takacs] So this alert is not only at the bridges in Budapest?

[Suma] There is a national alert, the situation is different from county to county. I must state that nothing, so far, has happened in the country which would give grounds for concern, there is complete order and peace; so far, not even the smallest conflicts have occurred. I must stress again here the aim of prevention, since there have been no real incidents.

[Takacs] Price increases can be expected continuously, so will the police alert then also be continuous?

[Suma] The police alert, of course, will not be permanent—we could not provide this because we are not equipped with the energy, nor could we stand the burden on personnel. During this period when these price increases can certainly come as a shock, and mean too sudden of a change, we would like to see more police on the roads, bridges, at crucial traffic junctions.

[Takacs] How long can the police stand the demand on their energy and their budget?

[Suma] The police can stand it, provide the force and energy, but undoubtedly this cannot be carried on for too long.

Budapest Police Official on Increase in Crime

AU0601211391 Budapest MAGYAR HIRLAP in Hungarian 3 Jan 91 p 4

[Interview with Istvan Balatoni, criminal investigation assistant to Budapest's police commissioner, by Karoly Lencses in Budapest; date not given: "The Criminals at an Advantage"; first paragraph is MAGYAR HIRLAP introduction]

[Excerpts] In 1990, crime grew at an unprecedented rate. In Budapest, more than 90,000 criminal incidents were reported to the police. The explanation seems simple: This is primarily the result of the powerlessness of the police; however, is the situation really that simple? We interviewed Istvan Balatoni.

[Lencses] Several leading police officers have stated that we are on the brink of a disaster, as far as public order is concerned. Given that criminal investigation authorities are on the verge of a crisis, and that they are working almost without any prospect of hope, what is your opinion on these statements?

[Balatoni] I do not like to use such extreme formulations. Right from the beginning, I have to stress that the 55 to 60 percent of the increase in criminal incidents, or the increasingly adverse structure of crime are basically the result of the social situation [kozeg] in which we live. It is, therefore, not the police who are responsible, and it is not the much discussed insecurity and indolence of the police force that have caused this phenomenon. Naturally, we do not deny the fact that the risk taken by criminals is smaller nowadays—indeed, fewer cases are being solved than ever before—but that is not a determining cause.

For example, crimes against property have developed as a result of financial circumstances in this country. During the seventies, crimes against property accounted for approximately 60-62 percent of all criminal incidents, but today they account for at least 84 percent. Clearly, the gaining of financial advantages has become an increasingly strong motive for criminals. At the same time, the spreading of violent crime is probably a result of accumulated social tensions. Fifteen years ago, only 200 robberies were reported to the Budapest police, but in 1990, there were more than 1,300 robberies. Similarly, it is worrying to observe the increase in the number of murders committed by unidentified criminals, or the rise in the number of unsolved cases. Incidentally, more than 90,000 criminal incidents were registered in 1990, and that is a 44 percent increase, compared to 1989.

[Lencses] You already mentioned that a proportionately smaller number of cases are being solved nowadays, maybe you are able to identify one criminal in 10. Public opinion sees this as a serious failure, but what would a police officer have to say?

[Balatoni] The situation is a little bit better than that, because our indexes show that approximately 11-12 percent of all cases are solved, and definitive data may bring us up to 16 percent. This, of course, still means that we only identify every sixth criminal. We have to admit that these are really poor results, and we cannot see them as acceptable, despite our relatively limited possibilities in this very grave situation. [passage omitted]

[Lencses] Petty theft constitutes a great proportion of criminal incidents, and the solving of these cases would require disproportionately great efforts. Can the police actually state that it does not deal with certain cases because of staff shortages?

[Balatoni] We cannot and we should not work with the same intensity on 90,000 different criminal incidents. According to the criminal investigation concept published in February 1990, we should give priority to murders, armed robberies, and series of crimes, particularly in cases of burglaries and in the tracking down of criminal organizations. Our hands are practically tied,

however, as far as thefts from cars are concerned; nevertheless, the reason we do not investigate these cases is not because it is not worth it, but rather because we have practically no criminal statistical data to consult when it comes to minor offenses. There are no witnesses, no traces are left, and it is not always possible to identify the stolen goods. In these cases, it would be stupid to ask our investigators to prepare volumes of notes, all to no avail. If there is no chance of solving such minor cases, therefore, we stop investigations for a few days, so that the victims may at least make a claim on from their insurance. We proceed in a similar way with simple thefts and in certain cases of pickpocketing. [passage omitted]

Prime Minister's Medical Treatment Successful

LD0401161291 Budapest Domestic Service in Hungarian 1500 GMT 4 Jan 91

[Text] Here is the official report on the Hungarian prime minister's health condition: The treatment of Jozsef Antall's lymph disease has been successful. After the examinations, the prime minister's doctors came to the conclusion that the head of government remains capable of work and is presently free of complaints.

The prime minister's press office expressed thanks to all foreign heads of state and government and several foreign institutions which have offered to help with the Hungarian prime minister's medical treatment. In our country, however, all means are available to cure the desease. For this reason, Jozsef Antall does not wish to accept the offered help.

National Bank Devalues Forint 15 Percent

LD0401163191 Budapest MTI in English 1523 GMT 4 Jan 91

[Text] Budapest, January 4, 1991 (MTI-ECONEWS)—In accordance with the decision of the government, the National Bank of Hungary has devalued the forint by 15 percent against convertible currencies, with effect from January 7, an official communique announced today.

With the growth in Hungary's inflation rate expected to be higher than that of its main trading partners in 1991 and in view of continued efforts to keep up the favourable processes in the external economy, the move is seen as maintaining the country's competitiveness on foreign markets and is in line with both the government's 1991 economic programme and the central budget, the communique says.

The devaluation promotes the government's policy of liberalization, particularly the substantial extension of import liberalization, and will also help in the switchover to hard currency accounting in East European trade as well as in meeting the strict current account criteria this year.

Kupa, Bank President on Devaluation

LD0401210191 Budapest Domestic Service in Hungarian 1700 GMT 4 Jan 91

[Gabor Bankuti report on news conference by Finance Minister Mihaly Kupa at the National Assembly in Budapest on 4 January—recorded]

[Excerpts] [Bankuti] Beginning Monday, the exchange rate of the forint will be devalued by 15 percent against convertible currencies. Finance Minister Mihaly Kupa spoke at the news conference.

[Kupa] [passage omitted] I justify the forint devaluation decision with the following five factors.

1. It is well known that we will have foreign trade difficulties in 1991. I do not want to repeat again the problems related to trade with the East and the fact that the country suffers significant losses because of this, which need to be made up somewhere. By way of this devaluation, we would like to give extra income to our exporters, and we want to provide incentives for them to export as much as possible.

2. Because we have liberalized 90 percent of our imports we must extend some kind of defense to our domestic market; therefore, this devaluation serves this purpose too, by making imports more expensive.

3. Bringing in foreign capital still remains in our interests; therefore, we would like to offer advantages to foreign investors. The same is true of foreign tourism. You saw how prior to devaluation, the town was full of foreigners on New Year's Eve.

4. This is a step toward making the forint convertible, it is a move nearing a more real exchange rate.

5. Finally, my special view regarding this devaluation—and I would like to express this now—is that we would like to cajole Hungarian capital deposited in foreign banks and financial institutions back to Hungary.

The devaluation will have a six percent upward price impact. We took this into account when preparing the budget and the 1991 financial processes model—naturally we did not announce this at the time because it would have led to speculation, and so forth.

[Bankuti] Mihaly Kupa also confirmed that the price of gasoline will not have an inbuilt allocation for the Road Fund [utalap], thus the gasoline price increase will not exceed 8.5 forints. He also said that over $1 billion will be attracted in this year. The impact of devaluation on foreign tourism also appears very favorable, but only in one respect, regretfully. According to the finance minister, by next year, if we manage successfully this year, the forint will be virtually convertible for economic units, and by 1993 even perhaps for the population.

Gyorgy Suranyi, president of the Hungarian National Bank [MNB], remarked that owing to the liberalized import and the possibility of a return to profit, the forint,

in practice, is already convertible for entrepreneurs. President Suranyi announced that negotiations with the IMF had been successful; furthermore, it is likely that at the end of January we will be able to sign the agreement with the IMF Board of Directors. This is thanks to the fact that in 1990 Hungary achieved the largest foreign trade surplus in its history, and had for the first time an active balance of payments. True, it demanded great sacrifices, but made possible at the same time the conclusion of a three-year agreement with the IMF whereby we receive a medium-term loan and compensation for the damages suffered because of the oil price increases. This, in the first half of 1991, may mean a $500 million loan. We will also be able to obtain a further $300 million from the EEC.

The MNB president also announced that, at his recommendation, the government has abolished the upper ceiling on bank deposits. Thus, anyone depositing money in a bank for longer than six months will get interest set by the bank, and the banks will be free to set this rate; they the bank will no longer be constrained. This, too, is an incentive to save.

Finance Minister Interviewed on Budget, Inflation

LD0601221391 Budapest MTV Television Network in Hungarian 1800 GMT 6 Jan 91

[Interview with Finance Minister Mihaly Kupa by unidentified reporter in Budapest from the "The Week" program—live]

[Excerpt] [Reporter] Mr. Minister, you are the fifth finance minister in the past five years, and the forint has been devalued for the fifth time in the past three years. Another shock for the people—we seem to have a fair share of them nowadays.

[Kupa] It is a shock also to realize how many finance ministers there have been, they seem to be used up very quickly. Either because they advance too rapidly, or because they do not.

Devaluations are never announced in advance for two reasons: partly because it gives birth to inflationary expectations, and partly because of hoarding and business deals; therefore, every government or bank announces it on the morning of the day the devaluation takes place. This is why we have chosen Monday.

[Reporter] How long do you give to the budget?

[Kupa] Myself, the whole year; but if necessary we will make changes. I am saying that this budget, as a whole, will stand on its feet, so we will not need to change the financing of self-government, etc.

[Reporter] What may you have to change?

[Kupa] Obviously there will be problems, if sharp social issues arise, then obviously central funds will have to be diverted to them.

[Reporter] Mr. Minister, the opposition is critical of the budget and we also hear that they have a much better idea, system, and proposals than the budget. Is this true?

[Kupa] I know nothing about this, I have not heard or seen any such thing. I do know that the Alliance of Free Democrats announced that by the end of February, or I am not sure when, they will draw up an economic policy plan. I await it with curiosity.

[Reporter] There are experts who say, this is from real experts, that it would be better if we asked for rescheduling.

[Kupa] Every calculation and practical example so far shows that rescheduling has never helped solve a problem it has only delayed solving the problem, and at the cost of an interest surcharge.

This is why I said in parliament that I am not willing to transfer this problem to the younger generation; at least they should have the chance for a better life.

[Reporter] Personal incomes will increase by 20 percent, inflation at the same time will be 30-35 percent. There is a 15 percent gap, the average Hungarian will be that much poorer. What is your opinion on this?

[Kupa] First, according to calculations, wages and pensions will increase by around 25 percent. Incomes will obviously increase more because they include various monetary incomes and payments in kind as well. It is an idisputable fact, however, that a certain reduction in real income will take place.

[Reporter] How much, what is your estimate?

[Kupa] I estimate this to be around two to three percent. It is undoubtedly a fact that certain groups will get into an extremely difficult situation, while others will push forward like comets.

Look, the basic problem is that of the elderly, on low pensions, those whose pensions have been erroded as a result of the unfair pension system, Those who have problems of basic existence. Clearly, there are also problems with the untrained youth who are beginning their work life, the recent school graduates who cannot get jobs or find themselves in a hopeless situation concerning their future.

[Reporter] There are also us, the great group in the middle?

[Kupa] Of this group in the middle, a substantial part I think can move forward. The real problem in this middle group is where there are no opportunities for moving forward, and there are a great many Hungarian families who live on wages, salaries, with state benefits, with children. This is where we should assist with a decent policy.

[Reporter] Related to this, what is you opinion of the Hungarian capacity for tolerance?

[Kupa] If every day on television a melancholic intellectual, or somebody else says recession, unemployment,

bankrupcy, this is the end, then these will follow. If a general attitude like this is formed than we are lost. This is the first point.

The second is that there can be strikes, indeed in a bourgeois democracy this is natural in the given situation. Why strikes take place under much better economic conditions, not under such a bad one as ours. [sentence as heard] A civilized government must first of all put up with these, and second find solutions.

[Reportert] what is your view of the price increases? I am asking this because from past experience we tend to bring these into common issue and we blame the government, the powers who raise the prices. Today we are talking in terms of the market?

[Kupa] People shout Down with Antall if products become more expensive....

[Reporter] Or your name, in the shops?

[Kupa] Yes, you see this is also a problem. Because today the population is hit by three forms of price increases. One is the result of the budget, where subsidies had been abolished on certain products. For this you can blame the government. The second is the change of official prices, which the government decided on and which was necessary because we are moving toward the creation of market conditions, we have to swallow the energy price increases and the like. For this you can blame the government also, but this is less and less a government task. The third, which I am not very happy about, and which every company seems to do now, is increasing for themselves the prices. They increase the price of sugar, of wine, of furniture. They increase the price of products where there is, in fact, an excess of supply.

[Reporter] If the price for shelves increases, they blame the minister of finance, not the manufacturer of shelves.

[Kupa] You see there is again the question of coordinating interests. They are blaming me, alright let them, this is what a finance minister is for. It is the makers of shelves and the users of shelves who should sit down together and debate the increase, why and how much. This is completely missing from the coordinating mechanism, so the protection of the consumer's interests is not carried out. The government, I want to stress again, released control of 90 percent of prices with this price law. [passage omitted]

Finance Minister on Newly Approved Budget

AU0701102291 Budapest NEPSZABADSAG in Hungarian 2 Jan 91 p 4

[Interview with Finance Minister Mihaly Kupa by unidentified reporter in Budapest; date not given: "Kupa: The Increase in Interest Is Still Tolerable"]

[Text] [NEPSZABADSAG] The opposition parties (the Federation of Young Democrats, the Alliance of Free Democrats, and the Hungarian Socialist Party,) not only criticized the budget, they literally had it taken away—a budget which even you, in your plea, had termed as temporary. As finance minister, you were the only one who was not allowed to relax during this extremely long parliamentary session, which lasted for almost 14 hours. Now that negotiations are over, how do you see the new budget?

[Kupa] I am neither a sociologist nor a psychologist, but I did observe the voting from those points of view, as well. My impression was that the government received a large majority of votes in areas where party interests and party philosophies did not play a dominant role. In the end, as a result of helpful amendment proposals, the budget was improved. That does not mean that this is a good budget, but at least there is a budget, thank goodness, and that can be seen as a starting point.

[NEPSZABADSAG] Let us talk about burdens. Gasoline prices are going to rise....

[Kupa] I would like to stress that it is not the tax built into the price that makes prices fluctuate, but demand and supply on the market. I do not think that the new year will start with an increase in gasoline prices. Incidentally, such a step could be seen as a necessary evil. Everybody knows that the country has limited energy resources and that oil prices have risen on the Soviet market. This whole energy affair has been dragging on since April; swelling up and making waves, it created an inflationary pressure, and the time had come to put an end to this. I know that this is small comfort for drivers, but as countermeasures, we have taken several steps to try and improve the problematic situation of families, and of those who live under difficult financial circumstances.

[NEPSZABADSAG] How patient is society, in your opinion?

[Kupa] Many people in my surroundings say that we have almost reached the threshold of society's patience. I do not think that this is true. The problem is precisely the fact that we are fumbling in a vacuum. There are no assessments or exact data on the way people live. The government does not have any such information, nor does the opposition. In recent times, nobody has cared about this because everybody has been busy with the change of regime. That is precisely why I think that one of our most important task is to create a data base that would "take the temperature" of our society and reflect the actual situation. Before taking a decision, it is very important to know what state Hungarian society is in.

[NEPSZABADSAG] Nevertheless, you do have some experience, do you not?

[Kupa] A considerable amount of people live under much better circumstances than before, and their situation is improving. I am not just talking about businessmen. A lot of young, middle-aged, and older people know exactly how to sell their talents and their working ability; however, we have to help the others, society's fallen, as I call them. Clearly, a large number of pensioners belong to the category that requires assistance.

My father is 85 years old, he worked for 50 years of his life, and he lives off a pension that totals 6,000 forints; therefore, I do know what the situation is like. I also know that there are a lot of people living off their wages and salaries who have fallen behind. It seems pompous, but it is true that I have traveled a lot in Hungary, and in future, I am going to travel exceptionally much, so I do know how people in Hungary live.

[NEPSZABADSAG] Let us talk about mortgages [lakaskolcsonok].

[Kupa] For two days and two nights, I pondered on what could be done in this area. My colleagues will tell you how irritated I was at the time. We succeeded in elaborating a proposal that kept the increase in interest rates on installments within tolerable limits. At the same time, the proposal also leaves the possibility of choice, because according to a second option, the state could write off half the value of an outstanding debt.

[NEPSZABADSAG] Which option would you propose?

[Kupa] To those people who have saved up money and who do not want to live with a long-term debt above their heads (indeed, sooner or later, there will be market interest rates on everything,) I would advise to take the second option. People should weigh it, calculate, and not postpone their decision, because they could have half, or a third of their debt written off. On the other hand, for those people who have not saved up any money, the first option is preferable because a 15 percent interest rate is much lower than market interest rates.

[NEPSZABADSAG] Let us talk about personal income tax.

[Kupa] I swear that I do not know the rates of tax [adosav] off by heart, but the people whose income lies below 300,000 forints have definitely benefited from the reform. This gain, of course, is not large enough to compensate for inflation rates, nor is that the purpose that it should serve. Another very important element is that people who live off minimal incomes have now become tax exempt in Hungary.

[NEPSZABADSAG] Your final words in parliament were, "Now we have got a budget, let us see how long we will have a finance minister." Were you implying that all glory comes to an end at some stage?

[Kupa] In my statement, I was referring to the fact that the country now has a budget, so from now on, everybody can sit down for concrete negotiations. Please do not misunderstand me, I do not want to fail, I would like to be finance minister for a long time because I have ambitious plans that I would like to implement.

[NEPSZABADSAG] Can we hope for a better future?

[Kupa] With society's support, yes!

Decrease in Living Standards Predicted for 1991

AU0601212191 Budapest NEPSZABADSAG in Hungarian 3 Jan 91 p 7

[Attila Szabo report: "Living Standards Will Fall Even Lower"]

[Text] A forecast recently compiled by Hungary's welfare, labor, and finance ministries shows, among other things, that the Hungarian population's living standards are going to fall drastically in 1991.

According to the report, which analyzes the expected consequences of the 1991 budgetary law presented to and passed by parliament, the population's total growth in income—taking into account the planned 34 to 38-percent general price increase for 1991—will fall 100 billion forints short of the amount necessary to maintain 1990 living standards. The most painful elements of 1991 will be inflation, unemployment, and the impoverishment of important social strata in the country.

The report also points out that so far, preparatory work has not succeeded in reducing inflation rates. The government's economic policy primarily aims to prevent the depreciation of the forint by developing market conditions, but such a measure also necessitates a joining of forces on a social level, and this element is still missing. At present, the main danger is that actors on the economic stage might succumb to immediate interests and fight for an improved position, thereby inadvertently pushing up inflation rates. A 34 to 38 percent inflation rate is expected for 1991; some 11-12 percent of this total figure will be the result of price increases spread over the last few years, 13-14 percent will be the consequence of price increases introduced at the beginning of 1991, and other price increases introduced during the course of the year will contribute to a further 10-12 percent.

Production costs, therefore, are expected to increase by more than 30 percent, and the rise in consumer prices will probably stay around 34-38 percent. Within this category, we can expect a 37 to 40 percent increase in the price of basic goods and services. In 1991, domestic fuel prices will grow by an average of 90-95 percent, because of budgetary support reductions. The official prices for milk and white bread will rise by approximately 35 percent.

As a result of excise duty modifications, fuel, alcohol, and tobacco will probably be subject to a price increase.

The report states that as a result of all this, consumption is expected to fall by about four percent in 1991.

Following both the change of regime and structural changes, unemployment figures will continue to grow during 1991. By the end of 1990, unemployment rates had reached 1.5 percent, but by the end of 1991, they should have surpassed four percent—this represents 100,000 to 200,000 unemployed people. The employment situation is made worse by the fact that many

people from certain social strata—primarily pensioners and first-time job seekers—are finding themselves in a disadvantageous position.

The drop in consumption makes it impossible to avoid the impoverishment of certain social strata. Taking expected developments into account, one can foresee that the trend toward impoverishment—a trend that has already developed, particularly among the middle class—will continue to grow. The monthly extra expenses of a family with three children may grow to about 8,000- 10,000 forints. The disposable income of families will not enable them to maintain 1990 living standards.

The report emphasizes that it is essential to develop a social safety net; however, it is only possible to raise limited funds for this purpose. We can, therefore, expect to see a stronger civil disobedience movement in the country.

Parliamentary Representative on Poverty

AU0701103391 Budapest MAGYAR NEMZET in Hungarian 3 Jan 91 p 3

["(G.L.)" -signed interview with parliamentary representative Otilia Solt; place and date not given: "The Shifting Limits of Poverty"; first paragraph is MAGYAR NEMZET introduction]

[Text] One can draw balances from hard statistical calculations, or from the extent to which the limits of poverty and impoverishment are shifting in this country. No exact data can be provided for the latter method, there are only notions. For example, Otilia Solt has a few notions.

[Solt] Ever since I became a professional politician, I have had rather great difficulty in following real trends in society. What can we expect for 1991, following the passing of the new budget? The collapse of the world around us has completely unpredictable consequences for this country, too. That is precisely why we should only elaborate a series of short-term emergency budgets, so that we can respond to each and every new situation. In any case, extremely important subjects are still "in limbo," like the question of apartments, for example. Interest rates only represent half the issue when it comes to apartments, and they are relatively easy to calculate. At the same time, these measures affect heterogeneous social strata. Furthermore, certain social strata may have made savings, but at this stage, we do not know how much these savings will be worth in the event of a greater economic landslide. The strategies that people largely forced into the building of apartments are not going to collapse now, in 1991; they crumbled a long time ago. Indeed, people living here and under these circumstances have been suffocating for a long time, and they do not really know where the shore is.

[MAGYAR NEMZET] Are there not even any shores left?

[Solt] I would not say that, but it is true that the huge middle class that lived under more or less predictable circumstances until 1985, or 1988, have completely lost sight of the shore now. It can clearly be seen that for these people the prospective situation may bring a downfall in terms of their existence. This does not mean that they will die of hunger, but they will have to give up their consumption habits and their way of life. The real problem lies in apartments located in housing projects. For the most part, we do not even know the coordinates; to be more exact, we only know about the relative minority of people weighed down by high interest rates. We, however, do not know about the majority of people who have paid off their interest—the people who live in housing coop flats belong to this category—or about the prospective situation of people who live in rented flats. In the case of these people, we also have to remember that apartments located in housing projects are extremely costly, and it is an inflexible way of living. There is very little room for adapting, and yet it is precisely the large numbers of people living in housing projects who have no reserves to turn to.

[MAGYAR NEMZET] Is that the area where we can expect real tension?

[Solt] Yes, particularly if we take into account the fact that, even with the possibilities at its disposal, this budget left an unspecified framework for social spending. That is a lot of money. Since 1985, the government of this country has regularly been putting aside an increasing amount of money for this sphere, and remarkably, it spent this money efficiently. I do not know if the present government could change this phenomenon. Even after the closure of the budget, strategic eruption points are still open, because it is not the increase in "provisions" that can be seen as strategic points, but the clear and efficient outlining of the distribution of funds.

National Oil Reserves Reach Record Level

LD0401124991 Budapest MTI in English 1025 GMT 4 Jan 91

[Text] Budapest, January 4, 1991 (MTI-ECONEWS)—Over the past few months, Hungary has steadily built up its oil and petrol reserves and now has enough stocks for about a month, the most it has ever held.

Oil reserves now amount to 705,000 tonnes, of which 555,000 tonnes are in tanks and 150,000 in pipelines. Petrol reserves are 286,000 tonnes, with car fuel representing 142,000 tonnes.

Filling stations are thus bracing themselves for the likely rush of customers following the Hungarian parliament's decision to substantially raise the consumer tax on petrol which is sure to result in increases at the pump within the next few days. A litre of 92-octane petrol currently costs 47 forints (75 cents).

Prior to last price rise at the end of October last year, reserves had been whittled down to only two days.

Sales of petrol are 4,500-4,800 tonnes a day.

Prime Minister Bielecki Addresses Sejm

LD0501181791 Warsaw Domestic Service in Polish 1400 GMT 5 Jan 91

[Address by Prime Minister Jan Krzysztof Bielecki to the Sejm session in Warsaw on 5 January—live]

[Text] [Bielecki] Mr. Speaker, Mr. President, ladies and gentlemen, deputies: The general presidential elections have opened the way toward full democracy and independence. The disintegration of the Warsaw Pact and CEMA and the quick withdrawal of Soviet troops should allow the nation to complete its task of taking control of its own affairs, and free parliamentary elections will finally decide on the democratic character of the process. The new government is undertaking its work to give shape to the emerging freedom and to define clearly its political and economic face. Changes thus far have not brought complete results. Many important issues are still waiting to be resolved. It is my desire that those who have hope will not lose it and that those who do not have it can gain it.

One of the new government's tasks is to awaken individual ambitions and national aspirations and to give new dynamics to reform. We will be putting all our support behind enterprises and productivity. We also understand, as I said yesterday, that unpopular decisions should bring socially desirable results.

May it please the house, in accordance with earlier announcements, that the government formed by me will focus its attention primarily on the restructing of the Polish economy. The economy creates material foundations for the country's sovereignty and the prosperity of its citizens. Efficiency of our actions in this sphere will be decisive for the complete task of the reconstruction of the Republic. This part of the reform is present and verifiable in the everyday experience of every Polish family. Not words but deeds will count as will substantial evidence that we are able to wisely manage the regained freedom. The building of the market economy has been and remains our goal. As the only post-communist country, we have passed the first critical point on this journey. Our zloty has become a real currency, which is worth saving and which is convertible into foreign currencies. Lines outside shops have disappeared; and there are no shortages in supply, which is still the bane of our neighbors. We have achieved equilibrium, which has to be defended and consolidated. The defense of equilibrium will be particularly necessary in the beginning of the year when the country will be affected by price increases of imported raw materials, although it is going to be less painful than in neighboring countries. The consolidation of economic equilibrium will require adherence to the principle of a balanced budget as well as a healthy currency and credit policy. A responsible wage policy should have its important place—responsible meaning the policy which abandons wage restrictions as privatization progresses and which creates possibilities for wage increases without the return of inflation fever and lines outside shops. The practice of creating a market in Poland will be subject to considerable changes. We want it to involve the widest group of people, drawing conclusions from the attitude and the will of the public expressed in the presidential elections.

The ideas on overcoming the recession and the ideas on development must be complementary to the art of stabilization mastered in 1990. Our program of creating a market deal will focus above all on people, on their abilities, and on their faith in the sense of work and their resourcefulness. We want to clear a field for human energy and enterprise. This is the basis of our economic philosophy.

Our reform is not going to be a textbook reform. We are going to put the matter in the hands of market experts, who know the problems and who act on their own behalf and at their own risk. We are going to speed up the education of cadres who will constitute a future living network for the market economy: managers, financiers, bankers, and stockbrokers. Trained young people will have opportunities for quick promotion. The filling of the existing cadre vacuum and the extensive preparation of personnel to run the market system have been important elements of the strategy we have chosen. We know what the key is to enlivening the present state sector and to leading it to the path of long-term growth. That key is ownership and competition. While utilizing the ideas and legislation hitherto promulgated on privatization, we are going to place a different emphasis on things. In preparing a transformation of the ownership of property that is of historic significance and that will have consequences for generations to come, we must today speed up small-scale privatization in particular. This promises the quickest market results and creates the foundation for shaping a middle class. This process should be made more efficient and decentralized by creating regional sections and looking for more effective procedures. We shall also try to rationalize the restructuring and ownership changes implemented through the liquidation of state enterprise. The government is not going to make difficulties for grass-roots privatization efforts nor is it going to delay them until some unknown future date. While preparing large-scale privatization, we are setting ourselves two equal tasks, apart from improving efficiency: first, general enfranchisement, the creation of conditions for everyone to be a legal owner of part of the national property; second, the development of the capital market in Poland and the whole network of financial institutions, which constitutes a true nerve of the market economy.

In 1991, principles of capital turnover will be defined, and a stock exchange will be set up in Warsaw. Local commodities exchanges will also develop. We are looking for a happy medium between regulations and control, the implementation of the rules of honest trading, and the spontaneous development of financial services. The year 1991 will be crucial for the development of a competitive banking system in Poland. We shall take action to eliminate a state bank cartel. More

services will be provided in this sphere by Polish and foreign private banks. All this should create more favorable conditions for the development of enterprises in our country. This is necessary for us because it gives an appropriate flexibility to the economy. Following the example of all countries that have discovered the advantages of small-scale enterprises, we shall support it not only for the sake of the economy but also because we are very much interested in such social changes, which consolidate democracy.

We want to popularize mortgages and borrowing on pledge as the simplest methods of obtaining credit. We are going to introduce a clear and stable taxation system that serves both the state and the citizens well. The government is going to play an active role in what we call the market infrastructure. We shall assist in investments in telecommunications, the power industry, and transportation. We want to bring about a modern telecommunications network in the country as soon as possible. The housing industry is also the subject of the government's particular concern; but the government cannot solve the problem alone. We shall create conditions for individual mortgage credit, financing the development of the housing industry. In persisting in building market institutions, we are creating opportunities for foreign credits in this regard.

Ladies and gentlemen, in the darkest times of national oppression, the Polish countryside has preserved the Polish character, national tradition, and private property. This has been a great contribution, thanks to which, while undertaking our peaceful Solidarity revolution, we had something to start with. But it is not only the merits of the countryside for the nation and the state as a whole that require us to pay particular attention to the issue of agriculture. The current strategic interests of the economy require us to do so. That is why our countryside, while becoming European, should preserve its Polish character. The government will effectively protect our farmers against dishonest competition from abroad and against agricultural imports at artificially low prices. [applause] We shall support our agricultural exports and their organization.

The agricultural environment must be demonopolized, especially trade and services, and above all farmers must have easier access to credits, not only for the modernization of agricultural production but also for the development of a wide-ranging network of services, created by the very inhabitants of the countryside themselves.

The whole of society must be made aware of something that the government will constantly have in mind: Unemployment is not just a problem of the towns, it is also one of the difficult problems of the countryside. We will prepare an appropriate program of professional training for those farmers who—as a result of structural changes—will decide to sell unprofitable farms. These people, after learning a new trade, should remain in the countryside and find appropriate employment there.

In connection with the social challenges facing the Polish countryside, I intend to set up a council for the development of the countryside that will answer directly to the prime minister and will gather together representatives from various backgrounds and various tendencies present in life in the countryside. [applause]

May it please the house: It is essential to create permanent principles for cooperation and negotiation between the government and trade union federations, between employers and employees in enterprises. The early warning system should make it possible to solve conflicts at their source. The present reevaluation of pensions, the regulation of old-age and disability pensions, are as important as the introduction of new solutions in this area in consultation with social forces. They should reconcile an essential rise in old-age and disability pensions with the capabilities of the economy.

The social policy of the state regarding aid for people and groups in the most difficult situations should be supported by initiatives outside the government. We shall be carrying out an active policy of employment. Society has shown great courage and great sacrifice in agreeing to the necessity of partial unemployment. However, until now, despite the fact that people are being dismissed from work, not many enterprises have been eliminated from the market. Unemployment has not brought about a clear improvement in the economic structure because it has not been linked to the elimination of the worst enterprises. This has to change.

Workers will themselves be leaving unprofitable enterprises in which they are poorly paid. To work there makes no sense and such conditions are an insult to human dignity. We must help them in this and not artificially support incompetent bankrupts at society's cost.

The process of bankruptcy does not, however, have to be sudden and must not involve too great a number of unprofitable enterprises at one time. We can and should stagger this process, but above all it must be begun. It is therefore necessary to have rules regulating the principles and the size of allocated benefits so that extra means may be devoted to the fight against unemployment.

Programs for changes of work or profession, which could open up new perspectives for workers, will be discussed with trade unions. Where there are still subsidies being paid to failing enterprises, these could be allocated to the financing of the costs of the relocation and retraining of workers.

Locally based employment councils, composed of representatives of the administration, employers, and employees, will be given greater powers and should become a negotiating forum in this connection. We shall not wait patiently for the emergence of a bankruptcy but build, while there is time, a replacement job market where there is a threat of unemployment, creating, among other things, special spheres of enterprise, attracting home and foreign investments.

We are preparing a special program of vocational training for those farmers who have sold their unprofitable farms. These people should be able, once they have mastered a new trade, to remain in the countryside and find worthwhile employment.

We will work against any tendency toward apathy in our country. No one should feel lost and abandoned. The unemployed must have a chance to find a new employer. Workers must have a real chance of getting better pay for better work and must have the certainty of a worthwhile life once they are retired. Businessmen must have attractive possibilites for investment.

Neither should we forget about the numerous handicapped people. We want to make it much easier for them to get out and about in our streets as well as to obtain work in normal enterprises. This should be served by the reform.

Ladies and gentlemen, I wish to prove to foreign capital that Poland is and will be a politically stable country where one can invest in security and with profit; that, among Eastern European countries, we are the most advanced in the transition to a market economy, and that, thanks to this, it is in our country that the climate for foreign investment is best.

We declare full respect for the property of foreign subjects and assert that we treat them on an equal footing with our own. We shall guarantee the free flow of profits and the withdrawal of capital.

From the West we expect a drastic reduction in our debt. We are counting on new export opportunities becoming available to our country and on being given easier access to foreign market outlets.

May it please the house: I think that after years of cooperation with Lech Walesa I can now expect good and practical cooperation with the president. I am a deputy, a member of the Citizens Parliamentary Floor Group, so the ladies and gentlemen know me from our collaboration of more than 18 months. I believe that good and close collaboration among all the political forces in the Sejm and among the parliament, the president, and the government will be particularly important right now. I declare my will to undertake such cooperation so that the legislator may recognize his own creation in the government's achievements. The situation in which an adopted law waits for months for executive regulations must not be allowed to return.

The government is aware of the significance of religion in the life of society. Though we are of the opinion that there should be a separation of church and state, we respect the contribution of the church in the fight against the communist system and its present efforts in the moral rebirth of the nation. In our religious policy we shall be directed by a traditional principle of tolerance for world outlooks.

In the coming months we shall do our utmost to ensure that the preparations for the June visit to his homeland of Pope John Paul II—to whom the Third Republic owes a special debt of gratitude—proceeds smoothly.

It is the wish of the government that the negative results of reforms should not become the cause of a crisis in the Polish family. In past years it has been the bedrock of the Polish way of life and, together with the church, it defended the moral order of society. Today we want to invest this capital of patriotism, assembled within Polish families, in the future of the Third Republic.

May it please the house: It is a sad truth that a great number of citizens have refrained from participating in public life. The opinion has been put forward that the reason for this is the lack of social interest in political activities and distrust of politics as an instrument for solving national problems. This view is extremely unfair. The members of the government wish to help their compatriots organize themselves and become politically engaged on the basis of principles which they themselves have chosen, and with this aim in mind the government supports the development of political parties. I am aware that the present disposition of the forces which are currently in power in Poland does not fully mirror the variety of social opinions. The government wishes to collaborate with all those who matter, not only with parliamentary political forces, but also with the opposition.

Our government will move with the times. You see that we are forming a normal cabinet—which is not the first and will not be the last in a democratic state. I have undertaken the mission entrusted to me in the awareness that the cabinet that I form will exist until free elections take place, so that it is not a case of after us the deluge, but after us another government of the Republic.

May it please the house: I want the actions of the new government to be based on the principle of the citizen's freedom. This is very close to my heart. A state built according to this principle should be strong to stand guard over this freedom effectively; it should have at its disposal appropriate instruments to defend this freedom; but, at the same time, the state should be limited in its terms of reference so that this freedom is not stifled. This principle will guide us both in the economic field and in our internal policy.

It is essential that there should be a radical turnabout in the way the mass media are treated. The development of the political self-organization of society will not be possible without the development of truly independent communications media. The government wishes to support this process, both accelerating the liquidation of the RSW [Workers Cooperative Publishing House] which was begun by our predecessors, and breaking up the post-Stalinist monopoly of the Radio and Television Committee. We believe that the proper way to build a politically independent system of information media is to facilitate a bold takeover by private owners.

The government will conduct an open policy of information. We shall speak not only of successes but also about where we are failing and why. We trust, however, that an independent press, radio, and television will do this better.

Mr. Speaker, may it please the house: It is a mistake to think that the solidarity of Poles has died because the new system can only be built within the framework of a free-for-all, a fight by everyone against everyone. That is how capitalism in the 19th century was built. We are perhaps a whole century late but certainly a whole century wiser. For we are in possession of tried and tested models that the West has achieved through a wearisome and costly process of trial and error. There is no third way. Apart from the experience of other people we also have our own. Above all, we have the experience of the past decade of Solidarity.

Local self-government is going through difficult early days. We have to increase its powers and, in an appropriate fashion, its financial abilities, so that it can develop its local policies in a truly autonomous way. Also, the powers of state administration reach down to far too low a level. The conception of regions is giving rise to criticism. There is no doubt that Poland, just like the rest of the world, needs to establish intermediate levels of authority between the center and local self-government. Their establishment has to be preceded by a declaration of the will of the parishes and unions of parishes which feel the need to join together in larger autonomous units. Present-day Europe is increasingly becoming a continent of autonomous regions rather than antagonistic states.

The principle of less state intervention in public life is linked to higher standards being required of state officials and functionaries, but also to a clear improvement in their public standing. The former system, insufficiently changed, favors passivity on the part of the state apparatus, with officials playing it safe and avoiding decisionmaking. Consequently, the reductions in bureaucracy will be accompanied by government actions favoring decisionmaking activity on the part of its officials, both at the central level and in the so-called localities. This should bring about a speeding-up of the decisionmaking processes in many apparently minor procedures which are nevertheless socially very annoying. We shall strive to simplify various administrative procedures. Just as in Polish shops there have already appeared smiling salesgirls, now it is high time for polite and efficient officials to appear in offices. We shall be guided by the principles of observance of the law and social justice, and we do not interpret the concept of the rule of law, adopted by our predecessors, as only a renunciation of political revenge in favor of seeking justice before the courts. A rule of law which is not guarded by an efficient apparatus for law enforcement will exist only on paper. The subculture of corruption in the state economy and in the numerous companies which prey on the centralized monsters has to be fought more effectively. Poland also has to adjust its norms in the protection of authors' rights, especially in culture and computer science, to the standards of the highly industrialized countries.

Criminal delinquency is becoming an increasingly dangerous plague. The development of democratic liberties in Poland cannot be compromised by the impunity of gangsters and thieves. The police force is short of men and resources. But it is also short of liveliness and resolve which it could gain through getting new personnel. We are resolved to strengthen the state police and to demand of it that it should as quickly as possible ensure a sense of personal safety for citizens and effectively protect their property.

The (?Europeanization) of the system of security requires that the State Protection Office be removed from the Interior Affairs Ministry and placed directly under the prime minister.

The issue of our country's security and the people and organizations which are to protect this security is giving rise to much public concern. My government will pay great attention to matters concerning the Army. It will also attend to matters concerning all special services which stand guard over Poland's sovereignty and secrets.

We will try to intensify and finish the process begun by our predecessors of nationalizing the armed forces and, following from that, ensuring that they regain patriotic credibility. We wish to bring about a situation in which every citizen will have the certainty that his rights and security are being defended by people who are characterized by their absolute loyalty to the democratic system and national independence.

May it please the house: Polish culture currently is becoming a truly independent culture. We have been fighting for it for a long time: a culture which is one and indivisible, with no division into domestic and emigre, official and underground. Independence, however, reveals its other face, manifesting its dependence on the all-powerful market which unifies people's tastes throughout the whole world. That is why the fight for a truly independent culture—that is, for artistic individuality and originality—still continues, and, by the very nature of culture, will continue forever. Here, the government sees its tasks as very modest; they will be to support all forms of patronage, especially the private one. At the same time, just as culture is an author's matter, so patronage should belong to its authors, that is, it should be devoted to specific goals dependent on the will of the sponsor.

The government sees its role as regards the remaining budget areas—that is, education, training, and the health service—in a similar way. The only way to improvement in this situation is the decentralization of the financing of these areas. The government will, however, aim to implement the promise made by President Lech Walesa during the presidential campaign that deductions from the budget for these areas should be equal to those which exist in highly developed countries.

There is a very pressing need to train a new teaching cadre and to create school programs which will be worthy of the Third Republic and the cultural challenges it faces. It is also very important that there should be a change in university programs, above all in the economics sphere. We shall also support extramural educational initiatives, especially those in which the participants have the possibility of contacts with foreign economists and businessmen. We shall greet with joy all self-management and social initiatives in this sphere.

The problem of the drastic state of the environment in our country has been slightly overshadowed recently by the crisis and the reform of the economy. Here, too, a far-reaching decentralization is essential: a decentralizing reform of institutions and instruments for the protection of the environment. A new approach to ecological problems should involve effective cooperation with the market mechanisms in the economy. It is essential to create possibilities for wide-ranging participation of society in activities aimed at the protection of the environment.

Pragmatism does not preclude a commitment to ideology. For my generation, such an ideal was Solidarity and its fight for an independent and democratic Poland. We learned together how to transform this ideal into political successes. These, in turn, made it possible to initiate the reform; but at the same time they revealed the magnitude of the economic catastrophe and the ravages within social life. This result of the communist reign continues to blacken the horizon of our future.

Poland needs a breath of youth; it needs the courage and the imagination of the young generation. I therefore wish to appeal to young people with a very personal call: Become dynamic managers, ambitious politicians, reliable teachers, enterprising activists in self-management. Set up factories, plants, and shops. Make careers. Expand your skills. The administration of the state awaits you.

May it please the house: The government will continue our foreign policy, strengthening the independence of the state. The government will act in accordance with Polish reasons of state and in the state interest. At the same time it will continue the national policy as it has taken shape within the last 15 months, that is, a policy which goes further than and rises above the internal differences which divide political groups and parties.

We will base our security on good relations with neighboring countries and other countries in the region in the coming all-European security system and on maintaining contacts with those institutions of security in Europe which have proven their durability and their capability of adapting to the new European situation.

We will participate very actively in the CSCE as well as as in the Vienna disarmament talks. Taking into account our diverse interests, we wish for a closer and fruitful cooperation with all our neighbors. Good-neighborliness will link us with the USSR as well as with the republics, especially those of the Russian Federation, the Ukraine, and Belorussia. We shall nourish relations in these two directions—with the Union as a whole and with the republics—without intervening in the internal changes beyond our eastern border. We are striving to conclude a new treaty with the USSR which will regulate the entirety of our relations. We want to successfully conclude the advanced negotiations on a treaty on the withdrawal of Soviet troops stationed on our territory.

We have very advanced negotiations with our German neighbor on a treaty on cooperation and good-neighborly relations. This treaty will strengthen the emerging community of Polish-German interests. Cooperation with the united Germany has to be intensive and pursued in many areas. Its purpose will also be to facilitate our integration with the EC.

The Czech and Slovak Federative Republic remains our close and important partner in both bilateral and regional relations.

We attach great importance to the new regionalism in our part of Europe. I am thinking of the collaboration between the three states of Poland, Czechoslovakia, and Hungary; the Baltic cooperation; and the links with the so-called Pentagonal Group. We will develop relations with the Baltic republics, paying special attention to cooperation with our neighbor, Lithuania.

We remain involved in the construction of European unity. We are counting on a successful result of the current negotiations on a treaty of association with the EC. This treaty will require a far-reaching adaptation of our economy and our legislation to the models and requirements of the EC. Our strategic objective remains full membership in the EC. The Council of Europe in Strasbourg will continue to remain for us a place of active collaboration with the state of our continent. Membership in the council depends exclusively on the holding of free parliamentary elections. We shall intensify our contacts with other European organizations.

We are particular about further expansion of our relations with the states of Western Europe, and this remains a part of our European policy. Of great significance to us is our partnership with France. We attach great importance to the development of relations with the United States and Canada. We are aware of the significant role in our foreign policy of cooperation with the countries of Latin America, especially the Rio Group states, the Arab countries, Israel, Japan, Australia, and states of Asia, Africa, and the Pacific region.

Along with other countries, we shall spare no effort to eliminate war and the use of force from international relations. Our participation in various undertakings of the United Nations and other international organizations retains an important place. We are aware of our tasks and duties which result from this. We shall pursue our foreign policy while respecting morality and international law.

May it please the house: The present change of government should not be interpreted in terms of a power struggle, a struggle resulting in winners and losers. It should be perceived in terms of the overall interest of a modern and democratic state. This interest requires a radical expansion of the political class, a radical expansion of the group of people capable of holding leading offices in the country. In this area there can be no monopoly. In this area we need many alternatives which constitute pluralism in political life.

Mr. Speaker, Mr. President, ladies and gentlemen, I would now like to present my proposed composition of the Council of Ministers. In selecting the candidates I was above all guided by the criterion of professionalism. It is not political expediency but the form of tasks which this government will have to perform that guided my choice. This is to be a government of experts, in particular those who are competent in economic matters. At the same time, it is to be a team of people who understand one another well and who will collaborate with one another within the socially accepted philosophy of reform. I am counting on the house sharing the pragmatism of my proposal. This pragmatism was dictated by responsibility for the fate of the state. The composition of this government must guarantee the continuation of those projects and processes of reform that were well begun by the former cabinet.

Before I present the candidates for the posts of members of the Council of Ministers, I wish to stress that I recognize it as inevitable that changes will be made in the structure of the government in the near future so that it may adapt to the conditions of the market economy. This purpose will, among others, be served by the abolition of the office of minister for the domestic market. That, too, is why, amidst the proposals presented to the esteemed Sejm regarding the composition of the Council of Ministers, I have not put forward a candidate for this office. Those prerogatives of this minister that are still indispensable under conditions of the market economy will be included in the office of the minister of industry, which will be subject to transformation into the office of the minister of industry and trade. The appropriate draft law will be presented to the esteemed chamber in the near future. Attempts will be made to transform the Central Planning Office into an institution concerning itself with analyses, prognoses, and research into the economy in strategic terms. Further changes in the structure of the government will relate first to the office of the minister of agriculture and food economy, with particular attention to problems of the development of the countryside. Second, the office of the minister of town and country planning and construction will be changed to bring about the treatment of housing affairs appropriately in relation to the weight of the problem. I also wish to inform the esteemed chamber that in association with the envisaged passing of the law on the creation of a committee for scientific research, among other things abolishing the Office for Scientific-Technical Progress and Implementation, I am not putting forward a candidate for the post of minister-director of this office.

Mr. Speaker, may it please the house: In accordance with the provisions of Article 37 of the Constitution, I am presenting the following composition of the Council of Ministers and request the appointment of:

Leszek Balcerowicz	Deputy premier and minister of finance
Michal Boni	Minister of labor and social policy
Wieslaw Chrzanowski	Minister of justice
Jerzy Ejsmontt	Minister-Director of the Central Planning Office
Adam Glapinski	Minister of town and country planning and construction
Robert Glebocki	Minister of national education
Piotr Kolodziejczyk	Minister of national defense
Dariusz Ledworowski	Minister for foreign economic cooperation
Janusz Lewandowski	Minister for ownership transformations
Henryk Majewski	Minister of internal affairs
Maciej Nowiecki	Minister of environmental protection, natural resources, and forestry
Marek Rostworowski	Minister of culture and art
Krzysztof Skubiszewski	Minister of foreign affairs
Wladyslaw (Sidorowicz)	Minister of health and social welfare
Jerzy Slezak	Minister of communications
Adam Tanski	Minister of agriculture and food economy
Ewaryst Waligorski	Minister of transport and maritime economy
Andrzej Zawislak	Minister of industry
Krzysztof Zabinski	Minister-Chief of the Office of the Council of Ministers

[Sejm Speaker Mikolaj Kozakiewicz] Thank you, Mr. Chairman of the Council of Ministers. [applause]

I remind the esteemed chamber that in accordance with the decision taken by the Sejm, that the Sejm will hold a debate next week on the statement of the chairman of the Council of Ministers, during the meeting on 11 and 12 January.

Comments on Vote, Reforms

LD0401144391 Warsaw Domestic Service in Polish 1355 GMT 4 Jan 91

[Interview with Prime Minister Jan Krzysztof Bielecki by Jan Gotner in Warsaw on 4 January—recorded]

[Text] [Gotner] Mr. Prime Minister, are you surprised at the result of the ballot—in your view, could it have been foreseen?

[Bielecki] I am very happy with the results of the ballot because they more or less reflect the atmosphere of my meetings which were so hastily organized. It is after all a credit of trust given me by this parliament. It is a will to participate in the process of restructuring Poland and introducing those new forms which we need in the sphere of both politics and economy. For me it is a challenge to cope with the new situation and to develop the economic program, to ensure that success be achieved and show this hope to society, but also a feeling of normality, possibly a slight depoliticization, a greater stress on competence and efficiency.

Comments on Policy, TV's Role

LD0401205191 Warsaw TVP Television Network in Polish 1830 GMT 4 Jan 91

[Interview with Prime Minister Jan Krzysztof Bielecki by unidentified reporter on 4 January; place not given—live or recorded]

[Text] [Reporter] Prime Minister, on behalf of the news team, I wholeheartedly congratulate you and beg you to answer a few questions. What is your conception for forming the government?

[Bielecki] Thank you for the congratulations. As I understand it, in my first, very brief, statement, I presented the conception for forming a government based on a group of experts as the first criterion. Another criterion, which I cited during the meetings with the parliamentary floor groups, is that this should be a team of people who are able to communicate, a team of people who specifically want to work as a certain team [word in English], as a group which believes in the possibility of succeeding even in this difficult period. These were these two basic criteria.

[Reporter] You are a liberal. What kind of policies will your government pursue?

[Bielecki] The program is obvious. On the one hand, it is to make changes from central planning and a post-communist system to democracy and a market economy. On the other hand, we all know that during this transition period one has to experiment, above all one has to try to make quick decisions, sometimes go back, sometimes move ahead. This liberalism which I hold so close does not mean that it has to be used every day in government policies. A simple example, for instance, is exchange rate policy. A rigid currency exchange rate is unacceptable to a liberal, whereas in Poland over the last year that was precisely the policy we had. [sentence as heard]

[Reporter] Is it worth being the head of a provisional government, because it is being said that this is a provisional government, a government to be worn out?

[Bielecki] First of all, I think that assessing this in terms of whether it is or it is not worth it is not the happiest solution. That is why I use the term service, which in Polish perhaps does not sound exactly right, but it conveys my intention. I also disagree with the notion of provisional. It is limited in time, but that follows from the will of democracy that today the starting time for me was determined by the parliament in its vote and the completion for me will be determined by the free elections which in the end have to take place in Poland—not just so we can enter the Council of Europe, but so that which we have been fighting for, that is democracy, pluralism, and not contracts, find an application in practice. [sentence as heard]

[Reporter] Mr. Tadeusz Mazowiecki's government represented the philosophy of a thick separation line from the past. What philosophy will your government represent?

[Bielecki] Well, the first attempt to define some sort of slogan was my speaking during this short statement about productivity and not about sacrifices. I think that this is also a slogan. When I looked at a few foreign press clippings, I saw that it is being perceived, at least in some Western countries, that this is a government of enterprising people, people who are going to create opportunities and much freedom both for young people and for enterprising people—because since we cannot promise mountains of gold, we have to show that during this difficult period there are opportunities for operating and functioning.

[Reporter] I must ask you a question about television, because you are interested in this institution. Television belongs to the government. What conception of television do you represent?

[Bielecki] My views, as far as the functioning of television is concerned, were defined much earlier than even the possibility of my candidacy for such an eminent office appeared.

We prepared in September our own deputies' bill specifically regarding television, not about the radio television committee, not about this post-Stalinist institution, but about television, where we see the need for, well, a deep restructuring and the method of functioning of television where the government is not going to control this institution manually, where the most important organization, the most important institution will be a national council for television, where, of course, the government on the public channel will have the right, especially in this so called First Program, will have the right to present its views. It will transfer from the existing arrangement to the fundamental institution which will be this national council for television based on authorities which will also bear responsibility for their decisions. [sentence as heard]

Democratic Left Deputy on Bielecki Candidacy

LD0401141191 Warsaw Domestic Service in Polish 0827 GMT 4 Jan 91

[Speech by Deputy Wlodzimierz Cimoszewicz of the Parliamentary Floor Group of the Democratic Left at the 48th session of the Sejm in Warsaw—live]

[Excerpts] [passage omitted] Our parliamentary floor group has many times stressed the importance of having adequately qualified government members. We have spoken publicly several times in favor of a concept of the so-called government of experts as the only justified one in the present time. We recognize today the declared wish to fulfill such a concept. Two days ago I had an opportunity to let the president of the Polish Republic know that qualifications will be the only criteria which will determine the standpoint of the Parliamentary Floor Group of the Left. [passage omitted]

Most of the deputies from my floor group have not so far had an opportunity to get to know Deputy Jan Bielecki. In this situation his meeting with members of our party was the only chance to shape an albeit general opinion about the qualifications of the candidate for the office of prime minister. In answer to our questions we did not hear a satisfactorily clear and precise proposal and opinion on the subject of the planned modifications of the current economic program of the government, ways of solving such accumulating social problems as unemployment, growing poverty, threat to the principle of equal chances in access to education, culture and health care, the housing construction crisis. In the same way we assess the statement on the future foreign policy of the government. Considering the fact that the candidate did not have much time to prepare a more detailed statement on these issues and considering the present difficult situation of the state and the need for the efficient appointment of the new government—because of the hasty dismissal of the former one—and also recognizing the president's right to coresponsibility for this particular cabinet, the Democratic Left will not oppose the appointment of Jan Bielecki to the office of prime minister. [passage omitted]

Regardless of the envisaged timetable of political events, Poland cannot afford to appoint a government which would, in its assumptions, be only a temporary one with limited competences and tasks. We should jointly create a government which will be able to attempt to cope with challenge not only in the economic but also in all other spheres which are important to the nation and the state, in an independent manner and in fulfillment of the constitutionally defined duties. Thank you.

Peasant Party Official Rejects Bielecki Candidacy

LD0401145291 Warsaw Domestic Service in Polish 0832 GMT 4 Jan 91

[Statement by Jozef Zych, Polish Peasant Party "Rebirth" chairman, at 48th session of the Sejm in Warsaw; introduced by Sejm Speaker Mikolai Kozakiewicz—live]

[Text] [Kozakiewicz] Deputy Jozef Zych will speak on behalf of the Polish Peasant Party [PSL].

[Zych] Mr. Speaker, Mr. President, esteemed chamber! Barely a few days ago, the Sejm of the Republic passed what is already the second resolution of the 10th Sejm on the matter of the agricultural economy. From the start of this Sejm, the club of the PSL has demanded the government implement an agricultural policy that would above all make secure the feeding of the nation. Yesterday, I held a talk with Republic President Lech Walesa, who assured me of full support for an agricultural policy and the necessity of reconstruction. I received this talk and the statement of the president with great respect, and I informed my club of this.

In the evening, a meeting took place with the candidate for prime minister, Deputy Jan Krzysztof Bielecki. The club of the PSL asked the candidate many germane questions. Above all, our club was interested in the view of the candidate as to changes in agricultural policy, and especially whether the candidate is aware of the fact that the failures of the previous and earlier governments stemmed from inappropriate agricultural policy. We particularly asked the candidate three questions: what policy he intends to implement in relation to credits, guaranteed prices, and tarriff barriers. We also considered many other questions.

Unfortunately, I must state with sorrow that the concept presented in yesterday's statements at our club by the candidate for prime minister does not satisfy the club, and this is not a concept in accordance with the needs of agriculture and the whole economy at such a difficult moment for our country. As we recognize that the government economic program demands significant taking into account of agricultural policy, our club, after hearing out and after a talk with the candidate, cannot grant him support. [applause]

'ROAD' Congress Wary of Bielecki Government

LD0601231291 Warsaw PAP in English 1831 GMT 6 Jan 91

[Text] Warsaw, Jan. 6—The founding council of the "ROAD" citizen's movement-democratic action party today adopted the agenda and electoral procedures of the 1st congress of its delegates. During the first day of the congress, the delegates will decide whether ROAD is to be an independent party or a part of the Democratic Union. The founding council adopted a statement reading that Saturday's expose of Prime Minister Jan Krzysztof Bielecki indicated that the policy of Tadeusz Mazowiecki's government would be continued.

"This statement did not contain any news ideas that could warrant the sharpness of attacks at the previous government. The very way in which the present government is formed causes that full responsibility for the outcome of its work will fall to the president's political camp," reads the founding council's statement.

"We are worried by declarations that the center of political decision making will move to the Belweder [presidential residence]. This would go against the principle that the powers of supreme state authorities are regulated by the constitution. The creation of a presidential council which would even to a certain degree replace

parliament and the government is contradictory to the democratic order of a state of order. We fear that this state of affairs will result in a weakening and disorganization of state structures. We are convinced as to the need to hold democratic elections to parliament as soon as possible. We express anxiety over the fact that this postulate has recently disappeared from the statements of credible representatives of the presidential camp," the statement reads.

The subject of relations between "ROAD" and the Democratic Union dominated the discussion held behind closed doors. "ROAD" plenipotentiary Wladyslaw Frasyniuk told PAP: "I think we will be able to work out a compromise formula as lack of a joint stance would lead to sharp conflicts on this side of the political stage and would cause that neither 'ROAD' nor the Union would emerge."

"ROAD" leader Zbigniew Bujak said: "I favour 'ROAD's' distinctiveness and the Union being a coalition up till parliamentary elections, provided they take place in the spring. Were the date of the elections set for autumn, I doubt whether the coalition would hold. This is because I think that till that time 'ROAD' would have a chance of forming as a politically strong group backed by various social groups.

"Elections held in a short while would mean that groups supporting Tadeusz Mazowiecki in November could count only on his voters. I am even afraid that this electorate could drop in comparison with the presidential elections. Nonetheless, it is in the interest of the state for parliament to change as soon as possible," Bujak said.

Lech Walesa Attends 5 January Sejm Session

LD0501210691 Warsaw PAP in English 1721 GMT 5 Jan 91

[Text] Warsaw, Jan. 5—Polish President Lech Walesa went to the Sejm (lower house) here this afternoon to attend a session during which newly-appointed Prime Minister Jan Krzysztof Bielecki delivered his expose.

Earlier in the day, Lech Walesa held political consultations in the Belvedere here. He met with Chairman of the Democratic Party Parliamentary Floor Group Leslaw Lech and Adam Kinaszewski, a representative of the Gdansk press milieu.

The Polish president also held a telephone conversation with Roman Bartoszcze (PSL) [Polish Peasant Party] who asked Walesa for a meeting.

In the evening, Lech Walesa will go to Gdansk. He is expected to come back here Sunday evening.

Sejm Fails To Broaden Senate Budget Powers

LD0601175291 Warsaw TVP Television Network in Polish 1615 GMT 6 Jan 91

[Text] The Sejm has considered four of the 15 amendments which the Senate made to budget law. The deputies did not agree to broaden the Senate's powers to control the execution of the state budget, retaining those functions, in accordance with the Constitution, exclusively for the Sejm. The same old argument between the two chambers about space. [sentence as heard]

Citizens' Committee Discusses Future

LD0601203691 Warsaw Domestic Service in Polish 1700 GMT 6 Jan 91

[Text] The Citizen's Committee attached to Lech Walesa has ended deliberations in Warsaw. Its members have decided that Committee Chairman Zdzislaw Najder and lawyer Jan Olszewski will discuss with Lech Walesa conditions for the committee's future existence. A majority of speakers proclaimed themselves in favor of the continuing activity of the committee but in a new shape, with a new statute and under a new name. Let us recall that at the beginning of the meeting Zdzislaw Najder read out a letter from Lech Walesa, who had said that the activities of this body made history, but now its organizational conception should be changed. The president has suggested the convening of a solemn meeting of the committee with his participation.

Walesa Urges Changes

LD0601204591 Warsaw TVP Television Network in Polish 1830 GMT 6 Jan 91

[Excerpts] [Announcer] In a letter to the participants in a meeting of the Citizen's Committee, Lech Walesa has proposed the calling in the near future of a last, ceremonial meeting with his own particpation. It is now necessary to change the organizational conception of the committee, wrote the president.

[Reporter] The chairman of the Citizen's Committee, Zdzislaw Najder, speaking of the necessity for the existence of the committee, encouraged discussion of its future. [passage omitted]

A change of name to National Citizens' Committee (KKO) was passed by a majority of votes, together with changes in its regulations. These changes require the acceptance of Lech Walesa. Because of the absence of half the members of the Citizens' Committee, the possibility of its dissolution was not voted upon. Those gathered were in favor of the meeting of the Citizens' Committee with Lech Walesa taking place on 17 February.

In accordance with a resolution passed at the meeting, the parliamentary elections should take place in the spring.

Fiszbach Reports on New Sejm Floor Group

LD0601105491 Warsaw Domestic Service in Polish 2200 GMT 5 Jan 91

[Text] During today's Sejm debates, Deputy Speaker Tadeusz Fiszbach reported on the setting up of a new parliamentary floor group, that of the Democratic Union. It consists of deputies and senators who come from the Solidarity milieu. On the day the floor group was organized, it included 70 members: 43 deputies and 27 senators. The new floor group issued a statement which says, among other things, that the divisions which exist within the OKP [Citizens Parliamentary Floor Group] do not allow individual groups to speak their minds at the Sejm, which is why the new floor group was created.

This is the 12th parliamentary floor group to be organized.

The meeting during which this floor group was organized was chaired by Bronislaw Geremek. The debates were attended by Democratic Union Chairman Tadeusz Mazowiecki.

Former Presidential Candidate Returns to Warsaw

LD0401154791 Warsaw PAP in English 1358 GMT 4 Jan 91

[Text] Warsaw, Jan. 4—Former presidential candidate Stanislaw Tyminski arrived here at noon accompanied by his wife.

First I have to take care of the court case [involving slander allegations], he told journalists. I still do not have a lawyer, Tyminski informed the reporters.

Polls Show Police More Popular Than Solidarity

LD0601190791 Warsaw Domestic Service in Polish 1800 GMT 6 Jan 90

[Excerpts] Immediately after the presidential elections, the Public Opinion Research Center carried out a survey of the social mood. In comparison with previous poles in October, a strengthening of the conviction that matters in Poland are going well has ensued. As many as 60 percent of respondents were of this view, compared with only 43 percent in October. To the question are you satisfied or not with the way in which democracy is developing in Poland, exactly half the respondents gave a positive response. [passage omitted]

Trust in public institutions and the trade unions was also asked about. The Catholic Church continues to hold the greatest trust, next the Army, Sejm and Senate, the police, and then successively the government, Solidarity, and finally the All-Polish Trade Unions Alliance. In the course of the last year, all of these institutions have lost some of the trust held previously, with the exception, please note, of the police. [passage omitted]

U.S. Efforts To Solve Gulf Crisis Welcomed

AU0401195191 Bucharest ROMPRES in English 1850 GMT 4 Jan 91

[Text] Bucharest ROMPRES 4/1/1991—Romania's Foreign Ministry welcomes the accord reached by the United States and Iraq on the meeting between the U.S. Secretary of State James Baker and the Iraqi Foreign Minister Tariq 'Aziz on 9 January in Switzerland, reads a communique sent to the national news agency ROMPRES.

The Romanian Foreign Affairs Ministry appreciates the United States' constant efforts and readiness to solve the gulf crisis through a direct dialogue with Iraq.

The Ministry of Foreign Affairs voices its hope that the meeting in Switzerland will open the path to a political settlement of the gulf crisis in accordance with the resolutions passed by the Security Council.

Roman Receives U.S. Management Experts 5 Jan

AU0501160191 Bucharest ROMPRES in English 1529 GMT 5 Jan 91

[Text] Bucharest ROMPRES, 5/1/1991—Premier Petre Roman received on Saturday James and Barbara Bascom, representatives of World Vision International, and a group of U.S. professors of management. Reference was made to the programmes initiated by that non-governmental organization to assist orphanages and handicapped children. Since March 1990 members of that organization have been in Romania sponsoring actions meant to train experts in medical and social assistance. Discussed were tangible aspects of management in the field as well as of implementation of programmes initiated by World Vision International.

The Romanian premier thanked the guests for their initiatives and underscored their useful character for our country.

Barladeanu-Led Delegation Leaves for Israel

AU0501191091 Bucharest ROMPRES in English 1753 GMT 5 Jan 91

[Text] Bucharest ROMPRES, 5/1/1991—At the invitation of the Knesset—Israeli Parliament—a Romanian parliamentary delegation left for a three-day visit to Israel on Saturday afternoon.

The programme of the visit made known to the press by Mr. Alexandru Barladeanu, president of the Senate, head of the delegation, will include meetings with the president, the prime minister and the foreign minister of Israel, as well as a call at the Knesset.

Meets Israel's Levi, Others

AU0701133691 Bucharest ROMPRES in English 1204 GMT 7 Jan 91

[Text] Bucharest ROMPRES, 7/1/1991—The Romanian parliamentary delegation headed by Academician Alexandru Barladeanu, president of the Senate, now on an official visit to Israel at the invitation of the Knesset President Dov Shilansky, has already met Mr. Dov Shilansky and Mr. David Levi, deputy prime minister and minister of foreign affairs. Both sides showed their interest to expand and deepen their political, economic, cultural and scientific ties.

Also, the delegation's meeting with the rector of the Hebrew University of Jerusalem, Professor Hanoch Gutfreund, occasioned the approach of various aspects of the collaboration between Romanian and Israeli higher education institutes.

Campeanu on Political Situation at Paris Meeting

AU0401195291 Bucharest ROMPRES in English 1748 GMT 4 Jan 91

[Text] Bucharest ROMPRES 4/1/1991—The presence in Paris of Mr. Radu Campeanu, president of the National Liberal Party, vice president of the Senate, occasioned a meeting of Liberal Party representatives from West European countries. Mr. Radu Campeanu made a lengthy survey of the country's political and economic situation and set forth his opinion about the proposal to form a national unity government. Furthermore, the National Liberal Party's position was explained regarding the presence in Romania of ex-King Mihai. During the meeting ways were agreed upon for a better information of the Romanian liberal groups abroad about the activities of that party under Romania's present conditions.

Cultural Association on Bessarabian Citizenship

AU0501152091 Bucharest ROMPRES in English 0917 GMT 5 Jan 91

[Text] Bucharest ROMPRES, 5/1/1991—Answering a number of questions from numerous citizens concerning the appeal of the Popular Front of Moldova about adoption of a Republic of Moldova citizenship, the "Pro Bessarabia and Bukovina" Cultural Association specifies in a communique as follows:

"Accepting the double citizenship status by also adopting Bessarabia citizenship, gives one the possibility to participate by vote in major decision-making by way of a suffrage or referendum."

Applicants for a Bessarabian citizenship may justify their request by a Bessarabian origin, lineage, kinship, activities performed in the past in Bessarabia or northern Bukovina, or spiritual affinity, "Pro Bessarabia and Bucovina" Cultural Association's communique concludes.

PNL Film 'Denigrating' Iliescu Condemned

AU0501173191 Bucharest ROMPRES in English 1525 GMT 5 Jan 91

[Text] Bucharest ROMPRES, 5/1/1991—The presidency's news office released the following communique:

During the TV broadcast "The Opposition" of January 4, 1991, the National Liberal Party [PNL] presented a sound and image montage whose denigrating contents directed against the president of the country did not only infringe the rules of a civilized political life but those of common sense as well.

It is regrettable that a political party which declares its readiness to contribute to building a new democratic life and taking on responsibilities in the country's administration makes such use of a broadcast designed in principle to introduce a party's own programme and political activities.

Equally regrettable is the way the political leaders of that party, who cannot deny their responsibility for materials shown on behalf of the whole party, understand democracy and the freedom of expression.

Lowering political propaganda to the ludicrous level of calumny and clumsy insult, even if it might be due to inexperience and political immaturity, is not likely to help promoting the climate required by political dialogue or building a normal political life our country badly needs at the moment.

We are living in a period when we are gradually learning both what democracy means and how to use the rights it guarantees. In that process political parties and their leaders are the first called upon to promote decency, responsibility and respect for one another, qualities that are, in fact, typical of our people.

FSN Criticizes PNL Film

AU0601182291 Bucharest ROMPRES in English 1658 GMT 6 Jan 91

[Text] Bucharest ROMPRES, 6/1/1991—In connection with a sound-and-image programme edited by the National Liberal Party [PNL] and TV-broadcasted on January 4 during the "Opposition" broadcast, the Steering Collegium of the National Salvation Front [FSN] released a communique expressing disapproval of the way in which political groupings make use of their TV time to express their opinions.

It is regrettable, the communique shows, that the opportunity offered to set forth its own image and political activity was used to discredit democratically elected institutions, by employing propaganda-like formulas whose virulence is unexplainable and means of expression that discredit those who use them.

In this context, the communique further points out, the manner in which National Liberal Party leaders understood to make use of their TV time on January 4 setting forth their own propaganda can only lead to growing violence, resentment and social strain, to an informational framework set on lies and lack of responsibility.

The FSN considers that the perpetuation of the forms of political activism whereby the PNL discredits itself is a serious argument prompting us not to consider that political grouping a credible partner boasting authority.

Poll To Decide on Iordache Representing Timis County

AU0401195491 Bucharest ROMPRES in English 1900 GMT 4 Jan 91

[Text] Bucharest, ROMPRES 4/1/1991—The moral poll called by the Timis County deputy, Mr. Claudiu Iordache, will take place with help from the County's Prefecture.

Thus on Friday afternoon at the Timis County Prefecture a press conference took place, when a communique was read, regarding Mr. Claudiu Iordache's request that a poll take place in the Timis County, which had been brought to the attention of the parliament. A citizens' collegium was set up, which will be backed by the mayoralties. The lists, which will comprise only the citizens who wish Mr. Iordache to remain a member of parliament, will be drawn by the presidents of the dwellers' associations in municipalities and towns, and by the mayoralties in rural commons. The drawing of the lists is to begin on January 7 and end on January 11, at 3 p.m. Representatives of political parties And journalists are invited at all the proceedings.

FSN's Iordache Comments on Poll

AU0501191291 Bucharest ROMPRES in English 1626 GMT 5 Jan 91

[Text] Bucharest ROMPRES, 5/1/1991—In an interview with a ROMPRES editor Mr. Claudiu Iordache, first vice-chairman of the FSN [National Salvation Front] Steering Committee, deputy, referred inter alia to the moral poll he requested to consult the electorate of Timis County in connection with his remaining a deputy to Romania's Parliament.

The Timis County Prefecture will organize this poll in an approximate manner, not like a genuine poll. Since what we need is a sign that the majority decides. We are not interested in arithmetic. I know that lists are already being drawn up in Timisoara and in several towns in Banat Sinicolau and Lugoj. What do I pursue? First of all to prove that within the National Salvation Front there are no obsessions like power blocking and that we cannot leave the Front when signs of mistrust appear. I also wanted to revive the will of those who in Timis County on 20 May voted our list in a proportion of 47 per cent allowing us to have six deputies and two senators in Romania's Parliament.

To remain blocked in one posture, no matter how favourable, is no solution for anyone, myself included. And I would feel better, despite normal bitterness, to

know I am no longer wanted. Timis County should decide what it wants, Mr. Claudiu Iordache said in conclusion.

Vatasescu on 2d Stage of Price Liberalization

AU0501151691 Bucharest ROMPRES in English 1059 GMT 5 Jan 91

[Text] Bucharest ROMPRES, 5/1/1991—Privatization is a long term process. It would have been a huge mistake to wait a few more years for private property to consolidate before liberalizing prices, Mr. Anton Vatasescu, minister for industrial and trade activities in Romania's Government, told daily "CURIERUL NATIONAL" [NATIONAL COURIER].

Prices must be altered "upward," he went on. The low prices we used to have before "satisfied" everybody while, at the same time, producing general dissatisfaction by maintaining goods smuggling, speculation and corruption. And one more thing: over 60 per cent of the Romanian enterprises were kept in a state of inefficiency. That could not go on. We had to free our economy from the "fixed price" blocking. Enterprises that are unable to adjust to market economy conditions and to learn how to set their prices in relation to supply and demand and, therefore, will inflate prices excessively, will die. We have placed a mirror in front of each enterprise. Each looks into it and sees: "That is the work, that is the price"... The government has stopped subsidies. The second stage of price liberalization was not postponed out of the government's weakness. Reasons are different. In the first place, it proved impossible to take the second step on January 1, 1991. Negotiations are still under way for over four million important prices from the first stage. However, the liberalization mechanism was set moving and cannot be stopped. We hope to be able to start the second stage on June 1, 1991.

Government-TU Commission Discusses Wages

AU0401180691 Bucharest ROMPRES in English 1703 GMT 4 Jan 91

[Text] Bucharest, ROMPRES 4/1/1991—The members of the joint Government-Trade Union Commission gathered again on Friday to discuss proposals for amendments to the draft laws on wages and trade unions. The respective amendments had been discussed within subcommissions between representatives of trade union federations and executives of relevant ministries.

Attending on behalf of the government are Mr. Ion Aurel Stoica, minister secretary of state in charge of the quality of life and social protection, other ministers and heads of department.

The trade unions are represented by the leaders of the large national confederations.

Iliescu-Opposition Meeting Postponed

AU0501160091 Bucharest ROMPRES in English 1535 GMT 5 Jan 91

[Text] Bucharest ROMPRES, 5/1/1991—The meeting between Romania's President Ion Iliescu and the political parties members of the convention of opposition parties scheduled for 5 January has been postponed, upon the parties' request, sometime after 20 January 1991, reads a communique of the presidency's press office.

Senate Discusses Land Law, Other Issues 4 Jan

AU0401195391 Bucharest ROMPRES in English 1845 GMT 4 Jan 91

[Text] Bucharest ROMPRES 4/1/1991—Debates in the Friday plenum session of Parliament resulted in the adoption, with a majority of the vote, of 8 articles of the land bill, up to Article 30 (the bill contains 123 articles and 3 appendices). In experts' and senators' opinion, the first 30 articles are the most important part of the bill under discussion.

The second chapter that juridically regulates on a new basis the right to reconstitute and establish land ownership rights caused particularly lengthy and stormy debates. Discussions took on controversial aspects more than once, having only one purpose: A fair moral and material reparation of the most oppressed social category: the peasantry.

Debates tackled a great number of disputed issues the Romanian peasant is concerned with these days, such as the high debts to the state of some producer cooperative farms; pensions for the members of cooperative farms which are to be dissolved; ways to call to account those who committed abuses after the December revolution. As far as agricultural and zootechnical constructions are concerned senators reached a consensus, appreciating that they should not be given up as the law should have appropriate provisions in this respect. Government representatives attending discussions underlined, among other things, that a special law was to be worked out stipulating ways of paying pensions after cooperative farms are dissolved. They specified that the present land bill would lay down in the final provisions chapter responsibilities and sanctions for those who had committed abuses before the revolution by arbitrarily distributing cooperative farm property. During the Friday session the opinion was expressed about the opportuneness of inviting genuine peasant representatives to take part in further debates on the bill.

In any case, the Senate's decision to shorten its new year mini-vacation and the general quality of debates on the most important bill so far approached by that legislative forum are a good omen and give us reason to believe the land law will be issued in due time. Senators decided to work on Saturday, January 5.

Senate Continues Discussion 5 Jan

AU0501173391 Bucharest ROMPRES in English 1530 GMT 5 Jan 91

[Text] Bucharest ROMPRES, 5/1/1991—In the presence of 102 of its 119 members, the Senate continued on Saturday debates in plenum on the land bill. After two hours of sometimes contradictory debates Article 31 was passed with a majority of the vote. Numerous interventions were made and amendments were suggested to the text of the article which dwelt mainly with the restitution of land only in mountain settlements unfavoured by natural factors. Finally, a consensus was reached on the settlement in principle of all the situations all over the country. Consequently, the senators and the representatives of the government agreed on the following wording of Article 31: "Agricultural land without constructions, equipment and facilities of public interest, in the ownership of the state and administrated by mayorships at the date of the coming into force of the present law shall be given back to former owners or their heirs, without exceeding ten hectares equivalent of arable land per family. The land is restituted upon request, in conditions stipulated by Article 9 of the present law, as ruled by the prefecture at the proposal of mayorship."

Noteworthy is the fact that in the opening of the session heated debates took place caused by Mr. Tamas Ciho, UDMR [Democratic Association of Hungarians in Romania] senator. He contested the lawfulness of the voting the previous day of Article 30/1 invoking the infringement of the procedure of voting amendments. Consequently he requested that the respective article be debated and voted once again.

Several senators took the floor in connection with Senator Tamas Ciho's request stressing that actually he proposed a new text. All the senators that were present voted knowing very well what they did. It was shown that it was dangerous to discuss again a text already passed as it could create a precedent that could lead to redebating all the laws already adopted. Mr. Oliviu Gherman, one of the four vice-presidents of the Senate, noted in his address that an attempt was actually made at procrastinating the adoption of the law. If the conclusion is reached that it has been a vice of procedure, that can be settled by the mediation commission. To vote again a text is against parliamentary democracy, stressed in his address the chairman of the legal commission of the Senate Mr. Ioan Predescu.

The Senate decided to resume session on Tuesday, 8 January.

Students' League Communique Released

AU0601182391 Bucharest ROMPRES in English 1720 GMT 6 Jan 91

[Text] Bucharest ROMPRES, 6/1/1991—The student organizations signatories to the Student League Confederation of Romania gathered in Bucharest on January 5 and released a communique showing those organizations to maintain their viewpoints, as set forth during the national conference of December 5-9, 1990 and to continue their claiming activities in statutory forms starting January 7, 1991, all while placing special emphasis on sustained contacts and dialogue with workers and trade-union organizations.

They will be supported by the teaching staff who made public their position favouring the students' actions.

The student organizations once again make known their independence of action, separating themselves from any groups sharing unilateral interests. The only true interest is the welfare of the nation and any attempt at integrating those organizations into false political scenarios are to be blamed, the communique also reads.

TAROM Strike Affects Mail, Press Transport

AU0401195091 Bucharest ROMPRES in English 1722 GMT 4 Jan 91

[Text] Bucharest, ROMPRES 4/1/1991—Besides passengers, the strike of the navigator personnel of the TAROM Airlines also affects the end-users of the services performed by the Rom Post Telecom autonomous unit, Mr. Marin Pantazi, head of the post dispatches service of Rom Post Telecom told a ROMPRES writer. So, for instance, people who, starting December 14, wanted to send letters and parcels abroad or expected such letters and parcels from foreign countries will be able to do so with great delay, as terrestrial means alone will have to be employed.

Starting January, Mr. Pantazi said, we will try to resort to the services of foreign companies, whose aircraft land at the Otopeni Airport, which means additional air-mail transport taxes. According to international tariffs, these taxes are ten times bigger than the initial cost for weights of more than one kilogram.

In the same interval there were no fast courier services from and to Romania. They used to be one of the most modern post services in the world of which businessmen and private companies benefited. Mr. Pantazi also said that written press reached rural localities with a delay of three days, as it was shipped by terrestrial means alone.

Interior Ministry Issues Statistics on Passports

AU0401180491 Bucharest ROMPRES in English 1704 GMT 4 Jan 91

[Text] Bucharest ROMPRES 4/1/1991—Over January 1-December 31, 1990 as many as 3,635,369 simple passports were issued for Romanian citizens and another 410,037 applications are now being discussed. Most of the passports were issued in Bucharest (430,374), and the Counties of Cluj (235,067), Timis (222,371), Bihor (204,300) and Arad (186,010).

Over the same interval applications for residence abroad were approved for 129,74 Romanian citizens, of which 80,346 already left Romania. The motivation behind

these applications was the applicants' wish to join their families, most of them having close relatives in various countries, rather than political reasons. The structure of the Romanians requiring residence abroad is as follows: Germans 95,671, Romanians 17,782, Hungarians 13,210, Jews 1,289, other nationalities 1,762.

Interior Ministry on Ex-King's Attempted Visit

AU0601170091 Bucharest ROMPRES in English 1552 GMT 6 Jan 91

[Text] Bucharest ROMPRES, 6/1/1991—In a communique on ex-King Mihai's visit to Romania, the Ministry of the Interior reminds that the ex-king was deposed of his Romanian citizenship after his abdication and his departure abroad, in line with the provisions of the law on the acquisition and loss of Romanian citizenship of 1939, which was promulgated by King Carol II, and of the 1940 decree-law on the withdrawal of Romanian nationality promulgated during the rule of Mihai of Hohenzollern.

After the revolution, the communique shows, the Decree-Law No. 137/1990 created possibilities for all those who had lost their Romanian citizenship to acquire it again. The former king did not express an option. If he expresses an option there is no reason to deny his application. Obviously, had he been a Romanian citizen he would not have needed a visa to enter the country.

The communique points to the fraudulent character the entrance in Romania of ex-King Mihai and his entourage. Furthermore, in line with the attributes it has according to the country's laws, the Interior Ministry shows it fully observes human rights, including the right to free movement for every Romanian citizen. At the same time, the Interior Ministry points out it will never accept the policy of fait accompli and the violation of the laws that safeguard national dignity and sovereignty, the Romanian people's order of law.

Decentralization of Tourist Network Viewed

AU0401174291 Bucharest ROMPRES in English 1315 GMT 1 Jan 91

[Text] Bucharest ROMPRES 4/1/1991—Tourism itself has followed the government's strategy for the transition to a self-reliant market economy.

Consequently, the Tourism Department is no longer credited with effectively running the fixed assets of this branch and with monitoring touristic activities. The old economic and territorial structures of the touristic network, excessively centralised, have been disbanded. Therefore, following the decentralisation and privatisation procedures in 1990, the touristic network now includes 135 share-holding companies, which stands for 70 percent of the Romanian tourist facilities, of which 109 own their fixed assets, 9 are specialised in touristic arrangements and holiday reservations, 17 of them provide services. The remaining 30 percent of the touristic capacity is shared by the Ministry of National Defence, Ministry of Finance, Ministry of Education and Science, other ministries, cooperatives unions (UCECOM [Central Union of Artisan Cooperatives], CENTROCOOP [Central Union of Consumer Cooperatives], trade unions, the Romanian Automobile Club and the Independent Tourism Company.

In the same touristic system operate more then 1079 private entrepreneurs, usually without their own fixed assets, as well as joint capital ventures, such as Melody Bar, Simpaturism, the Intercontinental Casino, which are juridically apt to run their own affairs, manage their own budget and conclude touristic contracts with home and foreign partners. Since these rights have been lawfully established, the monopoly once held by the former "Carpati" National Travel Office on external tourism was abolished.

'Moderately Optimistic' 1991 Economic Forecasts

AU0401174091 Bucharest ROMPRES in English 1159 GMT 4 Jan 91

[Text] Bucharest ROMPRES 4/1/1991—Specialists of the National Commission for Economic Forecast and Conjecture estimate that Romania's 1991 GNP could increase by 4.8 percent, as against 1990, of which variable proportions are assigned to various branches, as follows: 51.7 percent to industry, 12.7 percent to agriculture and silviculture, 5.7 percent to construction, 7 percent to transport and telecommunications, 7.2 percent to forwarding activities and 15.8 percent to other branches.

The team of experts who, according to the daily "ADEVARUL," cast the economic prognosis for the year running, is however moderately optimistic about the chances this programme stands to be carried out to the full, given the information available on the predictable evolution of privatisation, the pace at which state-run units will be converted into public corporations and commercial companies, retechnologisation, reorganisation of agriculture on new principles stated by the land bill (under Parliament's debate) price liberalisation, pay rise and labour productivity.

The same experts say there are reasons of doubt, as long as the government's economic reform programme proposes questionable information as to price rises and salary indexation covering only 70 percent of the former, the drop of individual bank savings by 35.9 million lei, the growth of unemployment by 462,000 persons, that is about 4 percent of the active population. Specialists also consider it altogether abnormal that the country's external payments balance should record a deficit of 2.3 billion dollars.

'Substantial' Price Increase, Inflation Expected

AU0401195791 Bucharest ROMPRES in English 1711 GMT 4 Jan 91

[Text] Bucharest, ROMPRES 4/1/1991—Prices of foodstuffs and non-alimentary products and the tariffs of services to the population increased in Romania 23.4 percent in November 1990 as to October the same year, said Mr. Alexandru Radocea, vice-president of the National Statistics Board in a press conference on Friday.

Informing journalists of the first price and tariff indicator for the population's consumption computed in Romania according to the Laspeyres formula, which is frequently employed in European countries with a market economy, the vice-president said that indicator of the cost of life reflected the price of the commodities and services sold in November to the average Romanian family. Unlike Western countries, experts with the National Statistics Board computed not 1,000 but 2,218 products sold through more than 10,000 points in 68 localities with special weight in the system of current supply with foodstuffs, non-alimentary products and services for the populatio? in the urban and rural areas.

Showing that because of the liberalization of prices which started in November that was a shock month, Mr. Radocea said the indicator of the cost of life was expected to be even higher in December. That indicator is to be announced in the second half of the ongoing month. He said the indicator released on Friday might contain an error of under five percent.

In a commentary on that indicator, Mr. Nicolae Petreanu, director general of the National Statistics Board, said inter alia during the same press conference that the average rise in prices and tariffs by 23.4 percent was apparently small but virtually substantial in consideration of the fact that the average pay in Romania over January-September 1990 in Romania was of 3,247 lei and the average pension stood at 1,430 lei, as well as of the fact that the effort of the average family to face inflation from one month to the other was strongly influenced by the 23.4-percent rise in prices and tariffs. This situation is even more worrisome as in December a new price rise and, therefore, a growth of inflation are expected.

1.5 Million Unemployed Called 'Unavoidable'

AU0701104491 Bucharest ROMPRES in English 0907 GMT 7 Jan 91

[Text] Bucharest ROMPRES 7/1/1991—Before the revolution, the economy was characterised not only by a general underuse of its resources, but also by their channeling to anti-economic ends.

Under the control of the communist nomenklatura, it was deprived of its self-control mechanisms, hence its absence of reaction to change and incapability to absorb the advances in technology. Against that background, after a decade-long mounting pressure put on it by a reckless effort to repay the foreign debt, the economy was in shambles, notwithstanding balanced foreign payments and a seeming balance of home payments.

It would be virtually impossible to put this economy in one particular class, or to define it. The old command structures persist, but they cannot operate. In spite of a bold option for a market economy, it cannot operate because there are no structures to make it work.

Ownership

State ownership is still overwhelming. In the absence of a constitutional right, private ownership has yet no legal grounds to claim equality with the other forms to existence to a fair treatment and to equal access to resources.

However, a beginning has been made: Under Decree-Law No. 54/990 on the establishment of small units, private ownership is recognised in the form of individual, family, and small businesses employing up to 20 persons. Under that law, about 50,000 private businesses operate now. However, less than half of them have been engaged in productive activities or in services, being merely retail traders or acting as intermediates, to reflect a trend of the first private entrepreneurs toward fast and easy profits by taking advantage of the scarcity of goods and services on the market.

In reality, private enterprises have to cope with big obstacles to get access to resources whose distribution still made from the centre gives priority to state units. Privatisation of the present state enterprises is scheduled to start in the latter half of this year: They will either become autonomous public companies (which remain public property given their national strategic importance) or commercial companies (open in principle to privatisation).

How the system will actually work and what its effects will be is rather difficult to tell now: given the large number of loss-making enterprises and the large money supply on the market too large compared with the scarcity of goods and services, but not so if the present industrial units are sold to the population.

Production

A low performance of production was the norm before. However, a good part of that production (it would be difficult to say exactly how much) was useless socially (failing to meet real demands), while there was a chronic shortage of consumer goods.

As the present government agreed to certain pay rises, and to far lower production and work norms, earnings have increased or at best have remained level, whereas production has dropped to account for a little over two-thirds of its last-year mark. A factor that compounded the problem was the shorter work week unrelated to higher productivity.

Work Force

Before the revolution massive unemployment was hidden by low and sharply cut wages.

Rising earnings coupled with a lower production performance has badly deteriorated the labor climate, all the much more so as the situation, which has been going for several months has created an impression that the economy still has resources which it has not.

There are now about 120,000 registered unemployed (even though the status of the unemployed is legally not clarified yet). The unemployment potential has risen as production has dropped. It is impossible to accurately predict the level of unemployment as long as one does not know the present and future potential of economic units to make profits, the fate of bankrupt enterprises, and state subsidies for them.

Assuming a competitive productivity index, not matter how low it may be, a one—one-and-a-half million jobless seems unavoidable.

Prosecutor on Efforts To Find Guilty Criminals

AU0401212091 Bucharest ROMPRES in English 1749 GMT 4 Jan 91

[Text] Bucharest ROMPRES 4/1/1991—In connection with a recent statement made by Minister of Justice Victor Babiuc in the name of the prime minister, the Prosecutor General's Office points out the following things:

With its numerically reduced forces, the Prosecutor's Office carried out a substantive activity in the time elapsed since the December 1989 revolution. Only in order to identify and indict those responsible for the December 1989 repression, the Prosecutor's Office heard 27,300 persons, made thousands of expert appraisals, searches, inquiries on site and reconstitutions. All these were done in parallel with the usual activity.

Taking into account this activity and the extremely difficult conditions in which it was carried out, we consider as entirely unjust the accusations of passiveness, procrastination, of even holding back the truth, which were brought against the prosecutors by the minister of justice.

The Prosecutor General's Office assures all the country's citizens that, as far as the office is concerned, the prosecutors are doing and will keep doing all they can to find out the truth and punish those guilty of crimes against the Romanian people.

Croatian Assembly Vice President Rajic Resigns

LD0401153691 Belgrade TANJUG in English 1427 GMT 4 Jan 91

[Text] Zagreb, January 4 (TANJUG)—Croatian Assembly Vice President Simo Rajic resigned on Friday not only as vice president of the republican assembly and chairman of the parliamentary judicial committee, but also as member of the republican parliament.

Rajic, a Serb, said that the reason for his decision was the unwillingness of the republican leadership to help ease tension between the majority and minority nations in the republic, Croats and Serbs.

Relations between the two nations in the republic have been tense in the past few months since Serbs believe they have been deprived of some national rights when the new leadership came to power.

Rajic said that his calls for reason, tolerance, and dialogue, and against intolerance and hate, because of which he believes he was given the post late last August, have not yielded any result.

Rajic said that the first post-war non-communist authorities in Croatia disqualify the holders of public offices if they are Serbs or members of the reformed Communist Party.

Rajic said that since the new Croatian authorities came to power last spring, a large number of Serbs have been replaced from leading posts in the republic—in firms, judicature, the government, and parliament.

Rajic drew attention to the parliament's lack of understanding for particular amendments to the recently adopted Croatian Constitution. These amendments give minority nations, which account for one-quarter of the republican population, the right to proportional represenation in the organs of power, the use of national symbols, language and script.

Rajic also resigned to his post in the leadership of the Party of Democratic Changes (former communists), but not to his membership in the party.

Croatian Parliament President Comments

LD0501052191 Belgrade TANJUG in English 0009 GMT 5 Jan 91

[Text] Zagreb, January 5 (TANJUG)—The resignation submitted by Simo Rajic, the vice-president of Croatia's parliament, is not a correct act and his motives for it are not convincing, Zarko Domljan, president of the Yugoslav Republic of Croatia's parliament, said here this evening.

Rajic, a Serb, submitted his resignation today, explaining it with lack of readiness with Croatia's leadership to help with the need to ease tensions between the Croats, the majority people, and the Serbs, the minority people, in Croatia.

In an announcement given to the Croatian News Agency (HINA), Domljan threw doubt upon Rajic's claims that Croatia's parliament had not approved his initiatives for improving relations between the Croats and the Serbs. Rajic, Domljan said, has not even presented such initiatives to parliament.

Commenting on Rajic's claim that, since the new authorities came to power in Croatia after the Croatian Democratic Union (HDZ) won the multiparty elections last spring, a large number of Serbs were relieved of leading posts, Domljan responded that there is no discrimination against the Serbs, it being normal after elections to replace members of the loser party.

Rajic's resignation was used for a political slander against the Croatia's democratic authorities, they obviously not fully accepted by Simo Rajic, Domljan said in the HINA's announcement.

Domljan also alluded to Rajic's attempting by his resignation to improve his rating with Croatia's Serbs who think, he said, that Rajic has betrayed their cause.

Tudjman Chairs First Session of New Council

LD0401193491 Belgrade TANJUG Domestic Service in Serbo-Croatian 1807 GMT 4 Jan 91

[Text] Zagreb, 4 Jan (TANJUG)—Croatian Presidency President Dr. Franjo Tudjman was reported to have passed a decision, in keeping with Articles 100 and 106 of the Croatian Constitution, to found a Council for National Defense and the Protection of the Constitutional System of the Croatian Republic.

The following have been appointed to the council: Josip Manolic, prime minister of the Croatian Republic; Stjepan Mesic, representative of the Croatian Republic in the SFRY Presidency; Zarko Domljan, president of the Croatian Assembly; Milan Ramljak and Franjo Greguric, deputy prime minister of the Croatian Republic; Martin Spegelj, defense minister of the Croatian Republic; Josip Boljkovac, interior minister of the Croatian Republic; Franjo Golem, foreign minister of the Croatian Republic; and Hrvoje Sarinic, head of the office of the president of the Croatian Republic.

President Tudjman was reported to have convened for today the first session of the council, which he chaired.

The council examined at the session the purpose of its foundation, the scope of its activities and the method of its work. It also examined the role and forms of communicating with other organs of power in the Croatian Republic, especially with the Croatian Assembly and Government. A report was also submitted on problems of securing the legal system, as well as questions regarding measures for establishing a constitutional-legal system on the territory of the Croatian Republic as a whole.

SAOK Forms Internal Affairs Office in Croatia

LD0401173391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1646 GMT 4 Jan 91

[Text] Knin, 4 Jan (TANJUG)—According to a statement issued by a meeting of the Executive Council of the Serbian Autonomous Region of Krajina (SAOK), a decision was adopted today to form a Secretariat for Internal Affairs (SUP) of the SAOK.

"This secretariat," the statement stresses, "is the only one with the competent authority to carry out all activities in the field of internal affairs and public security on the territory of the SAOK." It is also stressed that the public security stations that are within Krajina will operate, effective with the adoption of this decision, as organizational units of the SAOK SUP. Milan Martic, has been appointed as acting (?head) of the SAOK SUP.

During today's closed session, a decision was also adopted to form a working group that will, the statements says, set in motion proceedings for the foundation of a public enterprise for the exploitation and cultivation of forests on the territory of the SAOK and prepare final proposals for the organization of this enterprise. All these decisions, it is stressed at the end of the statement, come into force on the day of their adoption.

Weekly Examines 'Special War Against Croatia'

AU0601170191 Zagreb DANAS in Serbo-Croatian 25 Dec 90 pp 16-18

[Jelena Lovric article: "A Special War Against Croatia"]

[Excerpts] War games continue to be played over Croatia. The latest one is over whether or not Croatia was facing a military action two weeks ago, and who played what role. There is a dispute about whether President Franjo Tudjman spoke the truth during a recent meeting with leaders of opposition parties when he said that the military leadership had asked the SFRY Presidency to endorse a military intervention, or whether he was, out of fear, imagining things.

The SFRY Presidency's press bureau issued a statement referring to Tudjman's statements on the danger of a military coup that culminated with "the Federal Secretariat for National Defense allegedly asking the SFRY Presidency to allow the Army's intervention in Yugoslavia, above all in Croatia," and to his statement that the "request for a military intervention was not endorsed thanks to the efforts of the leadership of Croatia and his personal talks with other republics' officials."

The SFRY Presidency's press bureau claims that "the assertions that ever since the new authorities took over in the Republic of Croatia the Yugoslav People's Army [JNA] has continuously been threatening with a military coup are totally inaccurate and arbitrary," and that "it is also incorrect that the Federal Secretariat for National Defense had asked the SFRY Presidency to allow the JNA to intervene either in the country as a whole or in the Republic of Croatia. The claim, therefore, that the SFRY Presidency had discussed and rejected such a request—that is, that such a request was not accepted thanks to the efforts of the Croatian leadership and Dr. Tudjman—is also untrue. At one of its last sessions the SFRY Presidency agreed to discuss the report of the Federal Secretariat for National Defense concerning the phenomena of unconstitutional and unlawful arming of illegal paramilitary units in some parts of the country. It was agreed that this report and proposed measures be discussed at one of the future sessions," the statement points out adding a few more courtesy sentences with which it condemns the unfounded denial of the Army and supports efforts aimed at preserving its unity, firmness, and general Yugoslav, and national character.

On the same day, having already been informed about the denial of his claims, President Tudjman rejected this denial. This time, at the session of the Main Committee of the Croatian Democratic Community, he was much sharper than when opposition leaders repeatedly asked him to brief them on what was going on, but only managed to extort the statement on the request for endorsing a military intervention, which was also repeated several times. On this occasion Tudjman was more precise saying that on "10 December the Federal Secretariat for National Defense asked the SFRY Presidency to approve military intervention, and that the request was contained in two documents—one a report that tries to prove that various parastate armed formations have been created in Croatia and how a shipment of arms has arrived in the country and is being distributed to the members of the Croatian Democratic Community. A smaller part of the report was devoted to Slovenia and Kosovo." On this occasion President Tudjman also presented some other details contained in the report: For instance, he mentioned 10 shipments of arms that arrived in Croatia. As one can understand, this has not been denied. Foreign journalists, who got hold of this document, which is marked military secret, claim that the document does not mention 10 shipments, but that one could deduce from the context of the document that there was a smaller number of them. They also say that this could mean that the president either does not remember exactly, or that he made an error which carelessly indicates the real state of affairs.

"The report," Tudjman continued, "was accompanied by a draft order to the Army to disarm all parastate units which operate outside the JNA, the territorial Army, and other legal units. We, however," President Tudjman concluded, "have not been assembling civil units, but were arming and reinforcing the militia, and tried to make it representative of the population. We also supplied the reserve militia with arms, something we have the right to do. We said in the past that the only illegal groups that exist are those in Knin.

War or Political Games

By combining these two denials one can see, as far as the facts are concerned, that they are not all that contradictory, but that different conclusions are being drawn from them. As Stipe Mesic, a man who should know the real state of affairs first hand, wrote in his Dairy [column] in the last issue of this paper, the SFRY Presidency planned to discuss a letter of the Republic of Croatia demanding the Army's depoliticization, and a letter from Slovenia demanding an explanation concerning the movement of the JNA units. These requests were accompanied by a request from the Army—probably according to the logic of we, too have a horse for the race—which presented the Presidency with a report on the creation of paramilitary units (which mainly refers to Croatia) and a draft decision which the Presidency was supposed to have signed and issued immediately. The decision orders the disarmament of illegal groups, first willingly and voluntarily, and if this does not work, with other known means.

The question is why the completely contradictory conclusions are being drawn from these apparently noncontradictory facts. The leadership of Croatia claims that the military intervention is threatening the democratically elected authorities in the North Western part of Yugoslavia, while the military leadership claims that their only intention is to disarm the illegal armed formations. Croatia has been insisting that such illegal armed groups exist only in Knin. If this is the case, the question is why the Croatian authorities are against the Army disarming them. Would it not in fact suit the Croatian authorities to receive help in disarming those whom they call bandits from those who have the means of doing it and an all-Yugoslav approval which would in this case be very important—which would be in line with its constant statements that all help to resolve the situation in this area would be precious?

Judging by everything, however, the military leadership did not have the Knin units in mind, and the Croatian authorities understood very well that the disarmament was not referring to the formations in the Knin region. As foreign journalists claim, the report, which constitutes the basis of the Army's request, hardly even mentions these units. It mentions them only as a reaction to the creation of the republican army. This report talks at length about the Croatian Democratic Community arming itself, the distribution of arms to the members of the Croatian Democratic Community, the import of arms which come to Croatia via Hungary, about shipments of arms which are taken to two locations in Zagorje and Dalamatia under armed protection, about an import-export firm Astra, which is used for these purposes, about tens of thousands of imported Kalashnikovs and a corresponding amount ammunition, negotiations about obtaining heavy and air defense weapons....

Arming and Disarming

Answering our question concerning the arming of Croatia, Martin Spegelj, minister for national defense, said that about a month ago the republican police minister said that all three types of the police (regular, reserve, and special units) were being equipped with modern arms because, considering the current situation, Croatia needed a fairly large police equipped with modern arms. Because the Federal Secretariat for National Defense banned the purchase of arms and war equipment in the country, the ministry, to accomplish this task, was forced to find other ways. We reminded Minister Spegelj about a recent statement made in Slovenia, according to which tanks and air defense systems were being purchased. In Croatia, except some fire arms which are in the police force, there are no antiaircraft or antitanks arms because the territorial army has been completely disarmed. Spegelj also said that because these systems are very expensive they are not been considered at present. As regards the disarmament of illegal groups, the minister was categorical in saying that, according to the federal laws, this was a job for the police and not the Army. [passage omitted]

What Did BORBA Report?

To this mosaic of claims should certainly be added those recently made by BORBA in a report entitled "Telegrams As Shots." [passage omitted]

When we asked Martin Spegelj to explain these claims, he categorically stated that none of the state organs of the Republic of Croatia have issued such orders. Spegelj said that this was a provocation which could have been launched from one of the centers for informing communes in Croatia, or even some other institutions and that its obvious intention was to intensify the atmosphere which had indeed been turbulent and full of dangers, and provoke a clash which would serve the well known political purposes. [passage omitted] Josip Boljkovac, minister of the police, was also categorical in his denial: This was a provocation from unknown sources.

Nurturing Good Relations

It is interesting that the denied instructions whose origins are not known, correspond to the claims mentioned in the military leadership's report to the SFRY Presidency on the watch and control of military facilities; the blockade of these facilities; readiness, in case there are some dangerous moves, to cut military facilities' water supply, electricity, and telephone lines; the inspection of all military housing facilities; and the lists of those who are to be liquidated and those who were assigned to do it. Is this a coincidence or do the instructions and report come from the same source? This is difficult to say especially when nobody wants to admit responsibility for these dangerous intentions for obvious reasons. This fact, however—even if it were to be a case of someone passing the buck—clearly indicates that in their military clash the opposing sides are using all available means. [passage omitted]

Commentary on Croatian National Defense Council

AU0601210091 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 6 Jan 91

[Zivojin Jerotijevic commentary]

[Text] On Friday, the president of the Republic of Croatia set up a Council for National Defense and the Protection of the Constitutional Order. The most senior politicians in Croatia were appointed to what many [word indistinct] consider to be an operative wartime headquarters, which is led by Franjo Tudjman and Stjepan Mesic. It should be once again be remembered that immediately after his election as vice president of the Yugoslav state, Mesic announced that he would openly work on the destruction of the federation in favor of a confederation. As is well known, there was no official reaction to this secessionist statement.

Surprisingly, the members of the council do not include any [word indistinct] of the hard core of the Croatian Democratic Community, the so-called (?dukes), like Djodan or Veselica. That this involved a tactical ruse was confirmed the next day. The council's second session was held yesterday. The session proclaimed a general mobilization of the reservist section of the ostensibly territorial defense forces, which is in fact a classic and now ethnically pure military formation.

Its activity is directed toward the communes which make up the Serbian Autonomous Region of Krajina, which has its center in Knin. The real pearl in this hasty pantomime was the explanation that said that any possible and, in any case, energetic intervention would have the aim of crushing one-sided decisions which undermine the constitutional and legal order on the whole of the Republic of Croatia's territory.

The situation was made even more complicated by the subsequent decision of the Serbian Autonomous Region to also call to arms the conscripts of the reservist section of territorial defense forces. Both sides are obviously in a state of readiness and it could not be said that this is in the spirit of peace. Indeed, the Krajina is (?to a certain extent justifying itself with) the, to put it mildly, regrettable historical experience that is deeply engraved in the memory of the Serbian people in Croatia.

The present Croatian authorities do not have such a firm alibi, but are looking for one in some principles of international law of otherwise indisputable value. Political practice in Croatia, however, seriously derogates the worth of these principles, which creates more opportunity for doubt and mistrust.

In principle, every sovereign state has the right and duty to protect its own constitutional order and territorial integrity. If this system of internal relations is undermined by one side, the state can use force. With the full support of the international community which, because of the possibility of a chain reaction, has a negative stand toward splits and breaches at any point in the established balance of power. Seen in a formalistic way, Croatia has also behaved in this way.

So, wherein then lies the hypocrisy of the Croatian leadership? In that it has ignored the fact that in the international sense and from the point of view of [word indistinct] law, Croatia is nevertheless not a sovereign state but, despite this, through a string of one-sided moves, it has actually suspended the constitutional system and legal order of the internationally recognized and sovereign state of Yugoslavia.

It is now hypocritically calling for submissiveness and obedience and, moreover, threatens armed force against the Serbian Krajina, actually invoking the principle that it itself has impudently trodden underfoot.

The question that does not require a response because everything is clear is: Who is really provoking civil war in Yugoslavia?

Serbian Krajina Region Calls Up Police in Knin

LD0401224791 Belgrade TANJUG Domestic Service in Serbo-Croatian 2201 GMT 4 Jan 91

[Text] Knin, 4 Jan (TANJUG)—The new Secretariat for Internal Affairs of the recently proclaimed Serbian Autonomous Region of Krajina this evening called on "all members of the police reserve of the municipality of Knin and other municipalities to report immediately to their local police stations in a state of full preparedness."

This is the content of the announcement carried by Serbian Radio Knin in its news bulletin at 2230 [2130 GMT]. Otherwise, the situation in Knin is completely peaceful and, says witnesses, there is no real cause for alarm.

Influence of Croatian Ministry Restricted

LD0501182391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1719 GMT 5 Jan 91

[Text] Knin, 5 Jan (TANJUG)—The Executive Council of the Serbian Autonomous Region of Krajina [SAOK] today sent several of the country's institutions an official announcement concerning yesterday's formation of the Secretariat for Internal Affairs of the SAOK. The announcement, which was signed by SAOK Executive Council Chairman Dr. Milan Babic was sent to the Ministry of Internal Affairs of the Republic of Croatia, the Federal Secretariat for Internal Affairs, the president of the SFRY Presidency, the Secretariats for Internal Affairs of Serbia and Bosnia-Hercegovina, and police administrative offices in Zadar, Sibenik, Gospic, and Sisak.

The document stresses that the newly formed secretariat will carry out all legal work within the sphere of internal affairs, in keeping with the law, and that on the territory of the SAOK all human and civil rights are guaranteed regardless of the religious, racial, or national affiliation of the population. It is also stressed that coordination and cooperation with the Croatian Ministry of Internal

Affairs will be carried out by the competent department of the regional secretariat as necessary. At the same time it adds: "The influence hitherto exercised by the Croatian Ministry of Internal Affairs in the area of the SAOK ceases to have effect, and the orders of the ministry are without the force of law, unless prior agreement is reached with the secretariat for Internal Affairs of the SAOK."

In the announcement sent out by the Executive Council of the SAOK it is recalled that the police stations of Obrovac, Benkovac, Gracac, Titova Korenica, Donji Lapac, Dvor na Uni, Glina, Kostajnica, Vojnic, and Knin have become part of the new secretariat.

Mesic Urges Negotiations on Country's Future

AU0601203291 Sarajevo OSLOBODJENJE in Serbo-Croatian 28 Dec 90 p 1

[TANJUG report: Markovic Will Remain"]

[Text] Belgrade, 27 Dec—Yugoslav problems have been put on the table and this is why the coming 1991 will be the year of seeking solutions that are deemed reasonable by everybody in the country and acceptable to the world. This is what Stipe Mesic, vice president of the SFRY Presidency, said in the news conference for foreign journalists held in the International Press Center in Belgrade today.

Mesic is in favor of clear relations among the republics and is optimistic about the outcome of negotiations about the future of Yugoslavia which he sees in the form of a confederation. At the same time, he thinks that Ante Markovic's resignation, a possibility discussed in the public, is out of question, because not only is there no one who would be able to set up a new Federal Executive Council, but also, as he put it, the country would find itself in such a situation that a way out could hardly be found in a constitutional and democratic way.

When asked whether the dinar will be devalued, Mesic said that he did not know and, therefore, could not provide any answer to the question. Concerning the SFRY Presidency session in the afternoon which will discuss macroeconomic policy for 1991, he said that he "does not expect any results." He said that presidents of republics and provinces have also been invited, but that Franjo Tudjman would not participate because he is otherwise engaged. Had the session been held in the morning as previously announced, Tudjman would have traveled to Belgrade.

Introduction to Confederation

Several questions concerned the role of the group of economic experts engaged by the SFRY Presidency. Mesic said that he did not agree with those parts of the group's report and those of its members—among which he mentioned Academician Kosta Mihajlovic—who oppose reprivatization and advocate preservation of social ownership. He said that the law knows only private and public state ownership. According to him, social property is an invention of quasi-theoreticians led by Edvard Kardelj, and "since Kardelj is died it is high time the theory die as well." He thinks that Ante Markovic did not know that the Presidency had formed the group of experts, "and that he should have been told."

Mesic does not think that the fact that socialists—that is, communists—won in Serbia and Montenegro, unlike the other republics, is an obstacle to negotiations, but is of the opinion that this is "in fact an introduction to confederation." Let the two systems compete on our territory and certain activities will be performed jointly, he added.

Knin—An Imposed Problem

Mesic is against changing borders in Yugoslavia and thinks that the "Serbs are also a small people but many people are trying to convince others that thay are big." In his opinion, the "Serbs must realize that they are fewer in number than the Chinese, that they are living on a territory smaller than the USSR, and that even if there were a Serb grave on the Tierra del Fuego, it would still not make it Serbia." He pointed out that Serbs in Croatia should have all the rights that the Croats have, but "must realize that they have no right to the Croatian land."

In Mesic's opinion, Knin is not a problem of Serbs in Croatia, but is a problem which was created when problems in Kosovo could not be solved, "and it suited somebody to create a new hotbed of crisi
mocratic authorities in Croatia into question." He deemed the referendum on the autonomy of Serbs in Croatia "irresponsible," and pointed out that "one cannot create another Serbian state" in Croatia.

After saying that he expected the "new Serbia leadership" to reply to the invitation to hold joint talks that was sent from Zagreb long ago, Mesic said that disagreements in Yugoslavia have existed since 1918 and they did not come about after the Croatian Democratic Community came to power in Croatia. According to him, it is true that the Yugoslav People's Army is interested in peace in the country, but its task is to protect the Yugoslav framework.

Some military leaders have said that there are some unlawful and illegitimate armed groups which will have to be disarmed. There is the question of who should do so, Mesic said and added that there is only "one territory with armed groups in Croatia—Knin." "There are no other armed groups in Croatia, apart from militia, reserve militia, and special militia."

As concerns the recent statement on Yugoslavia issued by the State Department, Mesic said that the United States is interested in the Yugoslav problems being solved in a peaceful way and that this is why they "warn against things being solved in any other way." This can only help us, the vice president of the SFRY Presidency said. It does not represent a patronizing attitude toward Yugoslavia or a threat to its sovereignty, "because, when somebody warns us against shedding blood, we readily agree."

Mesic said that the solution to the Kosovo problem must be sought in a communication "between the two peoples, because both the Albanians and the Serbs have rights in Kosovo." Mesic concluded that the way out must be sought through a dialogue "without repression, Bantustan, and apartheid."

Only Solution: Talks Between Republics

LD0501211391 Belgrade TANJUG in English 1747 GMT 5 Jan 91

[Text] Podravska Slatina, Yugoslavia, Jan 5 (TANJUG)—Vice president of the Yugoslav State Presidency Stipe Mesic said today the only solution for Yugoslvia's future were talks between its six republics.

Explaining his thesis to politicians and businessmen of Podravska Slatina, a town in the Republic of Croatia, Mesic said that none of the Yugoslav peoples wished to wage a war and added that the current interethnic disputes could not be settled by the use of force.

Mesic, Croatia's representative on the collective state presidency, announced that talks on a historic agreement on the country's future system would start on January 10, when the presidency will meet with the presidents of the six republics.

An agreement on a new model of relations between the Yugoslav republics is necessary, because they are all disatisfied with the current situation, said Mesic. He described as "enlightening" the results of last month's elections in the Republic of Serbia, where socialists scored a convincing victory. The fact that parties which urged Serbia's territorial extension lost in the elections only proves that the Serbs, like all other Yugoslav peoples, are not prone to dealing with problems through a civil war, said Mesic.

He spoke favourably of changes in the attitude of Serbian President Slobodan Milosevic, who said before the elections that the other Yugoslav nations were not to blame for Serbia's troubles. In Mesic's view, such a position has largely contributed to Milosevic's victory in the elections.

'Armed Group' Removes Weapons From Local Museum

LD0601225891 Zagreb Domestic Service in Serbo-Croatian 2100 GMT 6 Jan 91

[Text] In Titova Korenica an armed group appeared at the Memorial Center demanding the staff to unlock the doors of the museum and allow the group to remove the exhibited weapons. Asked why such a request, the group said that mobilization had been ordered. This was confirmed by the Titova Korenica public security headquarters and the municipal representatives who were contacted by telephone.

A reporter for VJESNIK and VECERNJI LIST who witnessed the incident was subsequently attacked by the group and asked to leave the scene. The helpless Memorial Center staff had no choice but to comply with the request. Over 30 rifles, machine guns, and guns—all war trophies of the sixth Lika Division—were loaded onto a truck and taken to Titova Korenica.

The VJESNIK reporter tried to telephone the public security headquarters to find out the reasons for this action but no responsible official was available. When contacted by telephone Dr. Bosko Bozanic, president of the Titova Korenica Municipal Assembly, dissassociated himself from those individuals who used weapons to threaten the VJESNIK reporter. Asked why the weapons were seized from the museum and who in the Municipal Assembly had issued an order to that effect, Bozanic insisted that mobilization was the reason. Why and against whom—that we have been unable to find out.

Striking Truck Drivers Blockade Road to Greece

LD0401150891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1350 GMT 4 Jan 91

[Excerpt] Belgrade, 4 Jan (TANJUG)—Today at 1300, some 20 large trucks blocked the Belgrade-Nis motorway near Bubanj Potok. By 1500 no vehicle had been allowed to pass, apart from emergency services and the Yugoslav National Army vehicles. The following slogans are written on the trucks: "The strike of warning of the Yugoslav truck drivers" and "The Independent Union of the Yugoslav Truck Drivers." Almost all other roads leading to Belgrade are also blocked.

According to Miodrag Premovic, president of the Independent Union of the Yugoslav Truck Drivers, more than 6,000 truck drivers from all over Yugoslavia, with some 500 trucks, will take part in the warning strike. The truck drivers demand that federal and republican government abolish the import tax on trucks and parts. [passage omitted]

Markovic, Venezuelan Official View Cooperation

LD0301180391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1454 GMT 3 Jan 91

[Text] Belgrade, 3 Jan (TANJUG)—In Belgrade today Ante Markovic, Federal Executive Council president, received Reinaldo Figueredo Planchart, Venezuelan minister of foreign affairs. Their talks focused on ways to improve economic cooperation between Yugoslavia and Venezuela.

Minister Figueredo expressed his country's interest in involving Yugoslav enterprises in the construction of energy plants in Venezuela and throughout Latin America. Venezuela, Mexico, and Colombia set up a special fund for this purpose. The talks also touched on the ship building industry, the construction of railroads, hydropower plants and aliminium combines. Concrete talks on these issues are already under way. Budimir Loncar, federal secretary for foreign affairs, took part in the talks.